



(Please scan this QR Code to view the Draft Red Herring Prospectus)



ARC INSULATION & INSULATORS LIMITED

Corporate Identification Number: U18109WB2008PLC129263

Registered Office	Contact Person	Email and Contact No	Website
Village - Ramdevpur, PO-Bawali Bishnupur 2, Parganas South, Bishnupur, West Bengal- 743384, India	Ms. Shraddha Dhacholia Company Secretary and Compliance Officer	Email Id: info@arcinsulations.com Contact No: +91 62937 61074	www.arcinsulations.com

PROMOTERS OF THE COMPANY: MR. MANISH BAJORIA, M/S. SWABHUMI DISTRIBUTORS PRIVATE LIMITED, MS. NEELAM BAJORIA, M/S. MANISH BAJORIA HUF AND MR. ASHISH BAJORIA

DETAILS OF OFFER TO PUBLIC, PROMOTERS/SELLING SHAREHOLDER

Type	Fresh Issue Size	OFS Size	Total Issue Size	Eligibility
Fresh Issue & Offer for Sale	Upto 23,24,800* Equity Shares of face value of ₹ 10.00 each amounting up to ₹ [●] Lakhs	Upto 2,15,000* Equity Shares of face value of ₹ 10.00 each amounting up to ₹ [●] Lakhs	Upto 25,39,800* Equity Shares of face value of ₹ 10.00 each amounting up to ₹ [●] Lakhs	THIS OFFER IS BEING MADE IN TERMS OF REGULATION 229(1) OF CHAPTER IX OF THE SEBI (ICDR) REGULATIONS, 2018 AS AMENDED. FOR DETAILS IN RELATION TO ISSUE ALLOCATION, PLEASE SEE ISSUE STRUCTURE" ON PAGE 271 OF THIS DRAFT RED HERRING PROSPECTUS.

DETAILS OF OFFER FOR SALE, SELLING SHAREHOLDER AND THEIR AVERAGE COST OF ACQUISITION

Name	Type	No. of Shares Offered	Average Cost of Acquisition
Mr. Manish Bajoria	Promoter Selling Shareholder	Upto 2,15,000** Equity Shares aggregating up to ₹ [●] Lakhs.	3.39

\*\*As certified by Jay Gupta & Associates, Chartered Accountants, by way of their certificate dated January 07, 2025.

RISK IN RELATION TO THE FIRST ISSUE

This being the first public Issue of Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The face value of Equity Shares is ₹10.00 each and the Issue Price is [●] times of the face value of the Equity Shares. The Floor Price, Cap Price and Offer Price (determined by our Company and the selling shareholder in consultation with the Book Running Lead Manager, in accordance with the SEBI ICDR Regulations), and on the basis of the assessment of market demand for the Equity Shares by way of Book Building Process as stated in "Basis for Offer Price" on page 110 of this Draft Red Herring Prospectus, should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the Risk Factors carefully before taking an investment decision in this issue. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the Securities and Exchange Board of India ("SEBI") nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to the section "Risk Factors" beginning on page 34 of this Draft Red Herring Prospectus.


COMPANY'S AND PROMOTERS', SELLING SHAREHOLDER'S ABSOLUTE RESPONSIBILITY

Our company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Selling shareholder, severally and not jointly, accepts responsibility for and confirms only the statements expressly and specifically made by Such Selling shareholder in this Draft Red Herring Prospectus to the extent of information specifically pertaining to them and their respective portion of the offered Shares and assumes responsibility that such statements are true and correct in all material respects and not misleading in any material respect. Selling shareholder assume no responsibility, as a Selling Shareholder, for any other statement in this Draft Red Herring Prospectus, including, inter alia, any of the statements made by or relating to our company or our company's business or any other selling shareholder or any other person(s).


LISTING

The Equity Shares offered through this Draft Red Herring Prospectus are proposed to be listed on the Emerge Platform of National Stock Exchange of India Limited ("NSE or NSE Emerge") in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time. Our Company has received "In-Principle" approval from the National Stock Exchange of India Limited for using its name in the Offer document for the listing of the Equity Shares, pursuant to letter dated [●] letter no [●]. For the purpose of this Issue, the Designated Stock Exchange will be the NSE Emerge.

BOOK RUNNING LEAD MANAGER TO THE OFFER

Name and Logo	Contact Person	Email & Contact No.
 GRETEX CORPORATE SERVICES LIMITED	Mr. Pradip Agarwal	Email: info@gretexgroup.com Contact No.: +91 93319 26937

REGISTRAR TO THE OFFER

Name and Logo	Contact Person	Email & Contact No.
 MAASHITLA SECURITIES PRIVATE LIMITED	Mr. Mukul Agrawal	E-mail: investor.ipo@maashitla.com Contact No.: +91-11-47581432

ISSUE PROGRAMME

ANCHOR INVESTOR BID/ ISSUE PERIOD	[●] (1)
ISSUE OPENS ON	[●] (1)
ISSUE CLOSES ON	[●] (2)(3)

\* Subject to finalization of the Basis of Allotment

- The Company and the Selling Shareholder may in consultation with the Book Running Lead Manager, consider participation by Anchor Investors in accordance with the SEBI ICDR regulations. The Anchor Investor Bid/ Issue Period shall be one Working Day prior to the Bid/Issue Opening Date.
- Our Company and the Selling Shareholder may, in consultation with the Book Running Lead Manager, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations.
- UPI mandate end time and date shall be at 5:00 pm on the Bid/Issue Closing Date.



**ARC INSULATION & INSULATORS LIMITED**  
**Corporate Identification Number: U18109WB2008PLC129263**

Our Company was originally incorporated on September 10, 2008, as a Private Limited Company in the name of “ARC Insulation & Insulators Private Limited” under the provisions of the Companies Act, 1956 bearing Corporate Identification Number U18109WB2008PTC129263 issued by the Deputy Registrar of Companies, West Bengal. Further, our Company acquired the running business on a going concern basis with the assets and liabilities of M/s ARC Insulation & Insulators, sole proprietorship concern of our promoter Mr. Manish Bajoria vide Business Transfer Agreement dated and effective from June 01, 2009. Subsequently, pursuant to a Special Resolution of our Shareholders passed in the Extra-Ordinary General Meeting held on June 11, 2024, our Company was converted from a Private Limited Company to Public Limited Company and consequently, the name of our Company was changed to ‘ARC Insulation & Insulators Limited’ and a Fresh Certificate of Incorporation consequent to Conversion was issued on August 5, 2024 bearing Corporate Identification Number U18109WB2008PLC129263 issued by the Registrar of Companies, Central Processing Centre. For further details of change in name and registered office of our company, please refer to section titled “Our History and Certain Other Corporate Matters” beginning on page 180 of this Draft Red Herring Prospectus.

**Registered Office:** Village - Ramdevpur, PO-Bawali Bishnupur 2, Parganas South, Bishnupur, West Bengal-743384, India  
**Contact Person:** Ms. Shradha Dhacholia, Company Secretary and Compliance Officer  
**Email:** info@arcinsulations.com; **Website:** www.arcinsulations.com **Contact No.:** +91 6293761074

**OUR PROMOTERS: MR. MANISH BAJORIA, M/S. SWABHUMI DISTRIBUTORS PRIVATE LIMITED, MS. NEELAM BAJORIA, M/S. MANISH BAJORIA HUF AND MR. ASHISH BAJORIA**

**DETAILS OF THE OFFER**

INITIAL PUBLIC OFFER OF UPTO 25,39,800\* EQUITY SHARES OF FACE VALUE OF ₹10/- EACH (THE “EQUITY SHARES”) OF ARC INSULATION & INSULATORS LIMITED (“OUR COMPANY” OR “THE OFFER”) AT AN OFFER PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING UP TO ₹ [●] LAKHS COMPRISING OF FRESH OFFER OF UPTO 23,24,800 EQUITY SHARES AGGREGATING TO ₹ [●] LAKHS (“FRESH OFFER”) AND AN OFFER FOR SALE OF UPTO 2,15,000 EQUITY SHARES BY MR. MANISH BAJORIA (“SELLING SHAREHOLDER”) AGGREGATING TO ₹ [●] LAKHS (“OFFER FOR SALE”) (“PUBLIC OFFER”). THE OFFER INCLUDES A RESERVATION OF UPTO [●] EQUITY SHARES OF FACE VALUE OF ₹10/- EACH, AT AN OFFER PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING ₹ [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY THE MARKET MAKER TO THE OFFER (THE “MARKET MAKER RESERVATION PORTION”). THE PUBLIC OFFER LESS MARKET MAKER RESERVATION PORTION I.E. NET OFFER OF UPTO [●] EQUITY SHARES OF FACE VALUE OF ₹10/- EACH, AT AN OFFER PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING UPTO ₹ [●] LAKHS IS HEREIN AFTER REFERRED TO AS THE “NET OFFER”. THE PUBLIC OFFER AND NET OFFER WILL CONSTITUTE [●] % AND [●] % RESPECTIVELY OF THE POST- OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE FACE VALUE OF EQUITY SHARES IS ₹10/- EACH. THE OFFER PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY AND THE SELLING SHAREHOLDER IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER AND WILL BE ADVERTISED IN [●] EDITION OF [●] (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER) AND [●] EDITION OF [●] (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER, AND BENGALI EDITION OF [●], (BENGALI BEING THE REGIONAL LANGUAGE OF WEST BENGAL WHERE OUR REGISTERED OFFICE IS LOCATED), AT LEAST TWO WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE AND SHALL BE MADE AVAILABLE TO THE EMERGE PLATFORM OF NATIONAL STOCK EXCHANGE OF INDIA LIMITED (“NSE EMERGE”) FOR THE PURPOSES OF UPLOADING ON THEIR WEBSITE IN ACCORDANCE WITH THE SEBI ICDR REGULATIONS, AS AMENDED.

In case of any revision in the Price Band, the Bid/Offer Period shall be extended for at least three additional working days after such revision of the Price Band, subject to the total Bid/Offer Period not exceeding 10 working Days. In cases of force majeure, banking strike or similar circumstances, our Company and the Selling Shareholder in consultation with the Book Running Lead Manager for reasons to be recorded in writing extend the Bid/Offer Period for a minimum of One working Day, subject to the Bid/Offer Period not exceeding 10 working Days. Any revision in the Price Band, and the revised Bid/Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchange by issuing a press release and also by indicating the change on the website of the Book Running Lead Manager and at the terminals of the Syndicate Members and by intimation to Self-Certified Syndicate Banks (“SCSBs”), other Designated Intermediaries and the Sponsor Banks, as applicable.

**THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10.00 EACH AND THE OFFER PRICE IS [●] TIMES OF THE FACE VALUE**

The Offer is being made through the Book Building Process, in terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended (“SCRR”) read with Regulation 253 of the SEBI ICDR Regulations, as amended, wherein not more than 50% of the Net Offer shall be allocated on a proportionate basis to Qualified Institutional Buyers (“QIBs”, the “QIB Portion”), provided that our Company and the Selling Shareholder in consultation with the Book Running Lead Manager, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations (“Anchor Investor Portion”), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders out of which (a) one third of such portion shall be reserved for applicants with application size of more than ₹200,000 and up to ₹1,000,000; and (b) two third of such portion shall be reserved for applicants with application size of more than ₹1,000,000, provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. All potential Bidders (except Anchor Investors) are required to mandatorily utilise the Application Supported by Blocked Amount (“ASBA”) process providing details of their respective ASBA accounts, and UPI ID in case of RIBs using the UPI Mechanism, if applicable, in which the Corresponding Bid Amounts will be blocked by the SCSBs or by the Sponsor Bank under the UPI mechanism, as the case may be, to the extent of respective Bid Amounts. Anchor Investors are not permitted to participate in the Offer through the ASBA process. For details, see “Issue Procedure” beginning on page 275 of this Draft Red Herring Prospectus.

**ELIGIBLE INVESTORS**

For details in relation to Eligible Investors, please refer to section titled “Issue Procedure” beginning on page 275 of this Draft Red Herring Prospectus.

**RISK IN RELATION TO THE FIRST ISSUE**

This being the first public Issue of Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The face value of Equity Shares is ₹ 10.00 each and the Offer Price is [●] times of the face value of the Equity Shares. The Offer Price determined and justified by our Company and the Selling Shareholder in consultation with the Book Running Lead Manager on the basis of the assessment of market demand for the Equity Shares by way of the Book building process, in accordance with the SEBI ICDR Regulations, and as stated in chapter titled “Basis for Offer Price” on page 110 of this Draft Red Herring Prospectus, should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding active and/or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

**GENERAL RISKS**

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the Risk Factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”) nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to the section “Risk Factors” beginning on page 34 of this Draft Red Herring Prospectus.

**COMPANY’S AND PROMOTERS, SELLING SHAREHOLDER’S ABSOLUTE RESPONSIBILITY**


Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our company and the offer, which is material in the context of the offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Each of the selling shareholder assume no responsibility, as a selling shareholder, for any other statement in this Draft Red Herring Prospectus, including, inter alia, any of the statements made by or relating to our company or our company’s business or any other selling shareholder or any other person(s).

**LISTING**


The Equity Shares Issued through this Draft Red Herring Prospectus are proposed to be listed on the Emerge Platform of National Stock Exchange of India Limited (“NSE Emerge”) in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time. Our Company has received an In-Principle Approval letter dated [●] from National Stock Exchange of India Limited (“NSE”) for using its name in this offer document for listing our shares on the EMERGE Platform of National Stock Exchange of India Limited (“NSE EMERGE”). For the purpose of this Issue, the Designated Stock Exchange will be the NSE Emerge.

**BOOK RUNNING LEAD MANAGER TO THE OFFER**

**REGISTRAR TO THE OFFER**



**GRETEX CORPORATE SERVICES LIMITED**  
A-401, Floor 4th, Plot FP-616, (PT), Naman Midtown, Senapati Bapat Marg, Near Indiabulls, Dadar (w), Delisle Road, Mumbai 400013, Maharashtra, India  
**Contact No.:** +91 93319 26937  
**Email:** info@gretexgroup.com  
**Website:** www.gretexcorporate.com  
**Contact Person:** Mr. Pradip Agarwal  
**SEBI Registration No:** INM000012177  
**CIN:** L74999MH2008PLC288128



**MAASHITLA SECURITIES PRIVATE LIMITED**  
451, Krishna Apra Business Square, Netaji Subhash Place, Pitampura, Delhi - 110034, India  
**Contact No.:** +91-11-47581432  
**E-mail:** investor.ipo@maashitla.com  
**Investor Grievance E-mail:** investor.ipo@maashitla.com  
**Website:** www.maashitla.com  
**Contact Person:** Mr. Mukul Agrawal  
**SEBI Registration No.:** INR000004370,  
**CIN:** U67100DL2010PTC208725

**ISSUE PROGRAMME**

ANCHOR INVESTOR BID/ ISSUE PERIOD [●] <sup>(1)</sup>	ISSUE OPENS ON [●] <sup>(1)</sup>	ISSUE CLOSES ON [●] <sup>(2)(3)</sup>
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\* Subject to finalization of the Basis of Allotment

- (1) The Company and the Selling Shareholder may in consultation with the Book Running Lead Manager, consider participation by Anchor Investors in accordance with the SEBI ICDR regulations. The Anchor Investor Bid/ Issue Period shall be one Working Day prior to the Bid/Issue Opening Date.
- (2) Our Company and the Selling Shareholder may, in consultation with the Book Running Lead Manager, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations.
- (3) UPI mandate end time and date shall be at 5:00 pm on the Bid/Issue Closing Date.

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***PURSUANT TO SCHEDULE VI OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018)***

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## SECTION I: GENERAL

### DEFINITIONS AND ABBREVIATIONS

*This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines, or policies shall be to such legislation, act, regulation, rules, guidelines or policies, as amended, supplemented or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.*

*The words and expressions used in this Draft Red Herring Prospectus but not defined herein shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, the SEBI (ICDR) Regulations, the SCRA, the Listing Regulations, the Depositories Act or the Rules and Regulations made thereunder.*

*Notwithstanding the foregoing, terms used in of the sections “Basis for Offer Price”, “Statement of Possible Tax Benefits”, “Financial Statements as Restated”, “Main Provisions of Articles of Association”, “Our History and Certain Corporate Matters”, “Other Regulatory and Statutory Disclosures” and “Outstanding Litigations and Material Developments” on pages 110, 116, 216, 311, 180, 249 and 234 respectively, shall have the meaning ascribed to such terms in the relevant section.*

#### GENERAL TERMS

Term	Description
“ARC INSULATION & INSULATORS LIMITED”, “ARC Insulation”, “ARCIIL”, “ARC”, “We” or “us” or “Our Company” or “the Issuer”	Unless the context otherwise indicates or implies, ARC Insulation & Insulators Limited refers to, a Public Limited Company incorporated under the Companies Act, 1956 and having its Registered Office at Village-Ramdevpur, PO-Bawali Bishnupur 2, Parganas South, Bishnupur, West Bengal-743384, India.
Promoter(s) / Core Promoter	The promoters of our Company being Mr. Manish Bajoria, M/s. Swabhumi Distributors Private Limited, Ms. Neelam Bajoria, M/s. Manish Bajoria HUF and Mr. Ashish Bajoria for further details, please refer to chapter titled “ <b>Our Promoters and Promoter Group</b> ” on page 206 of this Draft Red Herring Prospectus.
Promoter Group	Such persons, entities and companies constituting our promoter group pursuant to Regulation 2(1)(pp) of the SEBI (ICDR) Regulations as disclosed in the Chapter titled “ <b>Our Promoters and Promoter Group</b> ” on page 206 of this Draft Red Herring Prospectus.

#### COMPANY RELATED TERMS

Term	Description
AOA / Articles / Articles of Association	Unless the context otherwise requires, refers to the Articles of Association of, ARC Insulation & Insulators Limited as amended from time to time.
Audit Committee	Audit Committee of our Company constituted in accordance Section 177 of the Companies Act, 2013 and as described in the chapter titled “ <b>Our Management</b> ” beginning on page 185 of this Draft Red Herring Prospectus.
Auditor of our Company / Statutory Auditor	The current statutory auditors of our Company, being M/s. Vineet Kedia & Company, Chartered Accountants as mentioned in the section titled “ <b>General Information</b> ” beginning on page 66 of this Draft Red Herring Prospectus.
Banker to our Company	State Bank of India as disclosed in the section titled “ <b>General Information</b> ” beginning on page 66 of this Draft Red Herring Prospectus.
Board / Board of Directors / Our Board	The Board of Directors of our Company, including all duly constituted Committees thereof. For further details of our directors, please refer to chapter titled “ <b>Our Management</b> ” beginning on page 185 of this Draft Red Herring Prospectus.
CIN / Corporate Identification Number	U18109WB2008PLC129263
Chief Financial Officer / CFO	The Chief Financial Officer of our Company as mentioned in the chapter titled “ <b>General Information</b> ” beginning on page 66 of this Draft Red Herring Prospectus.
Company Secretary & Compliance Officer	The Company Secretary and Compliance Officer of our Company as mentioned in the chapter titled “ <b>General Information</b> ” beginning on page 66 of this Draft Red Herring Prospectus.
Director(s) / our directors	Director(s) of our company unless otherwise specified.

Term	Description
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Depositories	National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
DP/ Depository Participant	A depository participant as defined under the Depositories Act
DP ID	Depository's Participant's Identity Number
DIN	Directors Identification Number
Equity Shares / Shares	The equity shares of our Company of face value of ₹10.00 each unless otherwise specified in the context thereof.
Equity Shareholders / Shareholders	Persons / Entities holding Equity Shares of the Company.
Executive Directors	An Executive Director of our Company, as appointed from time to time.
Financial Statements as Restated	The Restated Financial Information of the Company, which comprises of the Restated statement of Assets and liabilities , Profit and Loss and Cash Flow Statement for the seven months period ended October 31, 2024 and Financial year ended March 31, 2024, March 31, 2023, March 31, 2022, the related notes, schedules and annexures thereto included in this Draft Red Herring Prospectus, which have been prepared in accordance with the Companies Act, Indian GAAP, and restated in accordance with the requirements of : <ul style="list-style-type: none"> <li>i) Section 26 of Part 1 of Chapter III of the Companies Act, 2013;</li> <li>ii) the SEBI ICDR Regulations; and</li> <li>iii) the Guidance Note on Reports in Company Prospectuses (Revised 2019) (as amended from time to time) issued by the ICAI</li> </ul>
Fugitive economic offender	Shall mean an individual who is declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018 (17 of 2018)
Group Companies / Entities	Such companies / entities as covered under the applicable accounting standards and such other companies as considered material by the Board. For details of our Group Companies / entities, please refer " <b>Our Group Companies</b> " on page 213 of this Draft Red Herring Prospectus.
HNI	High Networth Individual
HUF	Hindu Undivided Family
IBC	The Insolvency and Bankruptcy Code, 2016
Indian GAAP	Generally Accepted Accounting Principles in India.
Independent Directors	Independent directors on the Board, and eligible to be appointed as an independent director under the provisions of Companies Act and SEBI Listing Regulations. For details of the Independent Directors, please refer chapter titled " <b>Our Management</b> " beginning on page 185 of this Draft Red Herring Prospectus.
ISIN	International Securities Identification Number, being INE0YDV01010
IT Act	The Income Tax Act, 1961 as amended till date.
JV/ Joint Venture	A commercial enterprise undertaken jointly by two or more parties which otherwise retain their distinct identities.
Key Management Personnel / KMP	Key Managerial Personnel of our Company in terms of the Companies Act, 2013 and Regulation 2(1) (bb) of the SEBI (ICDR) Regulations 2018 and Section 2(51) of the Companies Act, 2013. For details, see section entitled " <b>Our Management</b> " beginning on page 185 of this Draft Red Herring Prospectus.
Key Performance Indicators / KPI	Key factors that determine the performance of our Company
LLP	Limited Liability Partnership incorporated under Limited Liability Partnership Act, 2008.
MD or Managing Director	The Managing Director of our Company is Mr. Manish Bajoria
Materiality Policy	The policy on identification of Group Companies, Material Creditors and Material Litigation, adopted by our Board on September 03 2024, in accordance with the requirements of the SEBI (ICDR) Regulations.
MoA / Memorandum of Association	The Memorandum of Association of our Company, as amended from time to time
Non-Executive Director	The Non-Executive Directors (other than the Independent Directors) of our Company in terms of the Companies Act, and the rules thereunder. For details, see section titled " <b>Our Management</b> " on page 185 of this Draft Red Herring Prospectus.
NRIs/ Non-Resident Indians	A person resident outside India, as defined under Foreign Exchange Management Act 1999 and who is a citizen of India or a Person of Indian Origin under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000.

Term	Description
Nomination & Remuneration Committee	The Nomination and Remuneration Committee of our Company constituted in accordance with Section 178 of the Companies Act, 2013, as disclosed in the chapter titled “ <i>Our Management</i> ” beginning on page 185 of this Draft Red Herring Prospectus.
Peer Reviewed Auditor	The Peer Review auditors of our Company, being M/s Jay Gupta and Associates (Erstwhile Gupta Agarwal & Associates), Chartered Accountants having valid peer review certificate no. 017534 valid till 31/07/2027 as mentioned in the section titled “ <i>General Information</i> ” beginning on page 66 of this Draft Red Herring Prospectus.”
Proprietorship firm / firm	Proprietorship firm of our Promoter, Mr. Manish Bajoria i.e. M/s. ARC Insulation & Insulators which has been taken over by our Company which was subsequently taken over by way of succession as per the business transfer agreement dated and effective from June 01, 2009 between the Company and the Proprietor.
Proprietor	Mr. Manish Bajoria who owns proprietorship firm M/s. ARC Insulation & Insulators.
Registered Office	Village - Ramdevpur, PO-Bawali Bishnupur 2, Parganas South, Bishnupur, West Bengal-743384, India
RoC / Registrar of Companies	Nizam Palace, 2 <sup>nd</sup> MSO Building, 2 <sup>nd</sup> Floor, 234/4, A.J.C.B. Road, Kolkata-700020, West Bengal.
Senior Management	The officers and personnel of the issuer who are members of its core management team, excluding the Board of Directors, and shall also comprise all the members of the management one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager (including Chief Executive Officer and Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and the Company Secretary and the Chief Financial Officer.
Stakeholders’ Relationship Committee	The Stakeholder’s Relationship Committee of our Company constituted in accordance with Section 178 of Companies Act, 2013 and as described under the chapter titled “ <i>Our Management</i> ” beginning on page 185 of this Draft Red Herring Prospectus.
Selling Shareholder	Mr. Manish Bajoria
Stock Exchange	Unless the context requires otherwise, refers to, the Emerge Platform of National Stock Exchange of India Limited.
You or Your or Yours	Prospective Investors in this Issue.

## ISSUE RELATED TERMS

Term	Description
Abridged Prospectus	Abridged Prospectus to be issued under Regulation 255 of SEBI ICDR Regulations and appended to the Application Form.
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an Applicant as proof of having accepted the Application Form.
Allocation/Allocation of Equity Shares	Unless the context otherwise requires, the allotment of the Equity Shares pursuant to the Offer.
Allot / Allotment / Allotted	Allotment of Equity Shares pursuant to the Fresh Issue and transfer of the Offered Shares by the Selling Shareholder pursuant to the Offer for Sale to the successful Bidders.
Allottee(s)	A successful Applicant(s) to whom the Equity Shares are being / have been allotted.
Anchor Investor(s)	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus and who has Bid for an amount of at least ₹ 200.00 Lakhs.
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which will be decided by our Company, Selling Shareholder in consultation with the Book Running Lead Manager during the Anchor Investor Bid/ Offer Period.
Anchor Investor Application Form	The application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion, and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus.
Anchor Investor Bid/ Offer Period	One Working Day prior to the Bid/ Offer Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to the Anchor Investors shall be completed.
Anchor Investor Offer Price	The final price at which the Equity Shares will be Allotted to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price but not higher than the Cap Price. The Anchor Investor Offer Price will

Term	Description
	be decided by our Company, Selling Shareholder in consultation with the Book Running Lead Manager.
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by our Company, Selling Shareholder in consultation with the Book Running Lead Manager, to the Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations.
Applicant / Investor	Any prospective investor who makes an application pursuant to the terms of the Prospectus and the Application Form.
Application	An indication to make an application during the Offer Period by an Applicant, pursuant to submission of Application Form, to subscribe for or purchase our Equity Shares at the Offer Price including all revisions and modifications thereto, to the extent permissible under the SEBI (ICDR) Regulations.
Application Form	The Form in terms of which the applicant shall apply for the Equity Shares of the Company.
Application Supported by Blocked Amount / ASBA	An application whether physical or electronic, used by ASBA Applicant to make an application authorizing an SCSB to block the Application Amount in the specified Bank Account maintained with such SCSB and will include amounts blocked by RIIs using the UPI mechanism.
ASBA Account	A bank account maintained with an SCSB and specified in the Application Form submitted by the Applicants or the account of the RII Applicants blocked upon acceptance of UPI Mandate Request by RIIs using the UPI mechanism, to the extent of the Application Amount specified by the Applicant.
ASBA Applicant(s)	Any prospective investors in the Offer who intend to submit the Application through the ASBA process.
ASBA Application / Application	An application form, whether physical or electronic, used by ASBA Applicants which will be considered as the application for Allotment in terms of the Prospectus.
Bankers to the Company	Such banks which are disclosed as Bankers to our Company in the chapter titled titled " <b>General Information</b> " on page no. 66 of this Draft Red Herring Prospectus.
Bankers to the Offer / Refund Banker	The banks which are Clearing Members and registered with SEBI as Banker to an Offer with whom the Escrow Agreement is entered and in this case being [●].
Bankers to the Offer Agreement	Bank which is a clearing member and registered with SEBI as Banker to the Offer and with whom the Public Issue Account will be opened, in this case being [●].
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Applicants under the Offer, described in " <b>Issue Procedure</b> " on page 275 of this Draft Red Herring Prospectus.
Bid	An indication to make an offer during the Bid/ Offer Period by a Bidder (other than an Anchor Investor) pursuant to submission of the ASBA Form, or during the Anchor Investor Bid/ Offer Period by an Anchor Investor, pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations and in terms of the Red Herring Prospectus and the Bid cum Application Form. The term "Bidding" shall be construed accordingly.
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and in the case of Retail Individual Bidders Bidding at Cut Off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such Retail Individual Bidder and mentioned in the Bid cum Application Form and payable by the Retail Individual Bidder or blocked in the ASBA Account upon submission of the Bid in the Offer.
Bid/ Offer Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Syndicate, the Designated Branches and the Registered Brokers shall not accept the Bids, which shall be notified in in all editions of the English national newspaper [●], all editions of Hindi national newspaper [●] and Bengali Edition of Regional newspaper [●] where the registered office of the company is situated, each with wide circulation, and in case of any revision, the extended Bid/ Offer closing Date also to be notified on the website and terminals of the Syndicate, SCSB's and Sponsor Bank, as required under the SEBI ICDR Regulations.
Bid/ Offer Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Syndicate, the Designated Branches and the Registered Brokers shall start accepting Bids, which shall be notified in in all editions of the English national newspaper [●], all editions of Hindi national newspaper [●] and Bengali Edition of Regional newspaper [●] where the registered office of the company is situated, each with wide circulation, and in case of any



Term	Description
	revision, the extended Bid/Issue Opening Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI ICDR Regulations.
Bid/ Offer Period	Except in relation to any Bids received from the Anchor Investors, the period between the Bid/ Offer Opening Date and the Bid/ Offer Closing Date or the QIB Bid/ Offer Closing Date, as the case may be, inclusive of both days, during which Bidders can submit their Bids, including any revisions thereof. Provided however that the Bidding/ Offer Period shall be kept open for a minimum of three Working Days for all categories of Bidders.
Bidder/ Applicant	Any prospective investor who makes a bid pursuant to the terms of the Draft Red Herring Prospectus and the Bid-Cum-Application Form and unless otherwise stated or implied, which includes an ASBA Bidder and an Anchor Investor.
Bidding	The process of making a Bid.
Book Building Process/ Book Building Method	Book building process, as provided in Part A of Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer is being made.
BRLM / Book Running Lead Manager	Book Running Lead Manager to the Offer in this case being Gretex Corporate Services Limited, SEBI Registered Category I Merchant Banker.
Bidding/ Collection Centers	Centers at which the Designated intermediaries shall accept the ASBA Forms, i.e., Designated SCSB Branches for SCSBs, specified locations for syndicates, broker centers for registered brokers, designated RTA Locations for RTAs and designated CDP locations for CDPs.
Broker Centers	Broker centers notified by the Stock Exchanges, where the Applicants can submit the Application Forms to a Registered Broker. The details of such broker centers, along with the name and contact details of the Registered Brokers, are available on the website of Stock Exchanges ( <a href="http://www.bseindia.com">www.bseindia.com</a> and <a href="http://www.nseindia.com">www.nseindia.com</a> ) and are updated from time to time.
Business Day	Monday to Friday (except public holidays)
CAN / Confirmation of Allocation Note	Confirmation of Allocation Note / the note or advice or intimation of Allotment, sent to each successful Applicant who has been or is to be Allotted the Equity Shares after approval of the Basis of Allotment by the Designated Stock Exchange.
Cap Price	The higher end of the price band above which the Offer Price will not be finalized and above which no Bids (or a revision thereof) will be accepted.
Circular's on Streamlining of Public Issues	Circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 amended by circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018, circular (SEBI/HO/CFD/DIL2/CIR/P/2019/50) dated April 3, 2019, circular (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019, circular (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019 and circular (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019 and any subsequent circulars issued by SEBI in this regard.
Client ID	Client identification number of the Applicant's beneficiary account.
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Application Forms at the Designated CDP Locations in terms of circular no. GR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
Collecting Registrar and Share Transfer Agent	Registrar to an Offer and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
Controlling Branches / Controlling Branches of the SCSBs.	Such branches of the SCSBs which co-ordinate Application Forms by the ASBA Applicants with the Registrar to the Offer and Stock Exchanges and a list of which is available at <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a> or at such other website as may be prescribed by SEBI from time to time.
Cut Off Price	The Offer Price, which shall be any price within the Price band as finalized by our Company, Selling Shareholder in consultation with the Book Running Lead Manager. Only Retail Individual Investors are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investor) and Non-Institutional Investors are not entitled to Bid at the Cut-off Price.
Demographic Details	The demographic details of the Applicants such as their Address, PAN, Occupation and Bank Account details and UPI ID wherever applicable.
Depository / Depositories	A depository registered with SEBI under the SEBI (Depositories and Participants) Regulations, 1996
Depository Participant / DP	A depository participant as defined under the Depositories Act, 1996.
Designated CDP Locations	Such locations of the CDPs where Applicants can submit the Application Forms to Collecting Depository Participants.

Term	Description
	The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the website of the Stock Exchange (www.nseindia.com) (www.bseindia.com)
Designated Date	The date on which relevant amounts are transferred from the ASBA Accounts to the Public Issue Account or the Refund Account, as the case may be, and the instructions are issued to the SCSBs (in case of RIIs using UPI Mechanism, instruction issued through the Sponsor Bank) for the transfer of amounts blocked by the SCSBs in the ASBA Accounts to the Public Issue Account or the Refund Account, as the case may be, in terms of the Prospectus following which Equity Shares will be Allotted in the Offer.
Designated Intermediaries / Collecting Agent	In relation to ASBA Forms submitted by RIIs authorising an SCSB to block the Application Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs. In relation to ASBA Forms submitted by RIIs where the Application Amount will be blocked upon acceptance of UPI Mandate Request by such RII using the UPI Mechanism, Designated Intermediaries shall mean syndicate members, sub-syndicate members, Registered Brokers, CDPs and RTAs. In relation to ASBA Forms submitted by QIBs and NIBs, Designated Intermediaries shall mean SCSBs, syndicate members, sub-syndicate members, Registered Brokers, CDPs and RTAs.
Designated Market Maker / Market Maker	In our case, Gretex Share Broking Limited having its registered office at A-401, Floor 4th, Plot FP-616, (PT), Naman Midtown, Senapati Bapat Marg, Near Indiabulls, Delisle Road, Dadar (West), S V S Marg, Mumbai-400013, Maharashtra India.
Designated Locations	Such locations of the RTAs where Applicants can submit the Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Application Forms are available on the website of the Stock Exchange (www.nseindia.com) and are updated from time to time
Designated Branches	Such branches of the SCSBs which shall collect the Application Forms, a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/">http://www.sebi.gov.in/</a> or at such other website as may be prescribed by SEBI from time to time.
Designated Stock Exchange / Stock Exchange	Emerge Platform of National Stock Exchange of India Limited (“NSE Emerge”).
Draft Red Herring Prospectus	This Draft Red Herring Prospectus dated January 20, 2025 filed with the Emerge Platform of National Stock Exchange of India Limited (“NSE Emerge”) in accordance with the SEBI ICDR Regulations.
DP	Depository Participant
DP ID	Depository Participant’s Identity number
Eligible NRI	NRI eligible to invest under the FEMA Regulations, from jurisdictions outside India where it is not unlawful to make an application or invitation to participate in the Offer and in relation to whom the Application Form and the Prospectus will constitute an invitation to subscribe for Equity Shares and who have opened dematerialized accounts with SEBI registered qualified depository participants.
Eligible QFIs	QFIs from such jurisdictions outside India where it is not unlawful to make an Offer or invitation under the Offer and in relation to whom the Prospectus constitutes an invitation to purchase the Equity shares issued thereby and who have opened Demat accounts with SEBI registered qualified depository participants.
Escrow Account(s)	Account(s) opened with the Banker(s) to the Offer pursuant to Escrow and Sponsor Bank Agreement.
Escrow and Sponsor Bank Agreement	Agreement dated [●] entered amongst the Company, Selling Shareholder, Book Running Lead Manager, the Registrar, the Banker to the Offer and Sponsor bank to receive monies from the Applicants through the SCSBs Bank Account on the Designated Date in the Public Issue Account.
FII / Foreign Institutional Investors	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India.
First / Sole Applicant	Applicant whose name shall be mentioned in the Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names.
Fresh Issue	Fresh Issue of upto 23,24,800* Equity Shares of face value ₹ 10.00 each of ARC Insulation & Insulators Limited for cash at a price of ₹ [●] per Equity Shares (including premium of ₹ [●] per Equity Shares) aggregating ₹ [●] Lakhs, by our Company. * Subject to finalization of the Basis of Allotment

Term	Description
Floor Price	The lower end of the Price Band, subject to any revision(s) thereto, at or above which the Offer Price and the Anchor Investor Offer Price will be finalised and below which no Bids will be accepted.
Foreign Venture Capital Investors	Foreign Venture Capital Investors registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000.
FPI/ Foreign Portfolio Investor	A Foreign Portfolio Investor who has been registered pursuant to the of Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, provided that any FII or QFI who holds a valid certificate of registration shall be deemed to be a foreign portfolio investor till the expiry of the block of three years for which fees have been paid as per the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended.
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of Fugitive Economic Offenders Act, 2018.
General Corporate Purposes	Include such identified purposes for which no specific amount is allocated or any amount so specified towards general corporate purpose or any such purpose by whatever name called, in the offer document. Provided that any Offer related expenses shall not be considered as a part of general corporate purpose merely because no specific amount has been allocated for such expenses in the offer document.
General Information Document	The General Information Document for investing in public issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013, notified by SEBI and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, the circular (CIR/CFD/DIL/1/2016) dated January 1, 2016 and (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016, circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018, circular no. (SEBI/HO/CFD/DIL2/CIR/P/2019/50) dated April 3, 2019, circular no. (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019, circular no. (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019 and circular (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019, issued by SEBI. The General Information Document is available on the websites of the Stock Exchanges and the Book Running Lead Manager.
Issue / Public Offer / Offer size / Initial Public Offer / Initial Public Offering / IPO / Present Issue	Public Offer of upto 25,39,800* Equity Shares of face value ₹10.00 each of ARC Insulation & Insulators Limited for cash at a price of ₹ [●] per Equity Shares (including premium of per ₹ [●] Equity Shares) aggregating ₹ [●] Lakh by our Company. * <i>Subject to finalization of the Basis of Allotment</i>
Issue Agreement	The agreement dated January 07, 2025, entered into between our Company, Selling Shareholder and the Book Running Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Offer.
Issue Closing Date	The date on which the Offer closes for subscription.
Issue Opening Date	The date on which the Offer opens for subscription.
Issue Period	The period between the Offer Opening Date and the Offer Closing Date, inclusive of both days during which prospective bidders can submit their applications, including any revisions thereof
Issue Price	The Final Price at which Equity Shares will be allotted to ASBA Bidders in terms of the Red Herring Prospectus. The Equity Shares will be allotted to Anchor Investors at Anchor Investor Offer Price in terms of the Red Herring Prospectus. The Offer Price will be decided by our Company in consultation with the Book Running Lead Manager on the pricing date in accordance with the Book Building Process and the Red Herring Prospectus
Issue Proceeds	The proceeds of the Offer as stipulated by the Company. For further information about use of the Offer Proceeds please see the chapter titled “ <i>Objects of the Offer</i> ” beginning on page 93 of this Draft Red Herring Prospectus
Listing Agreement	Unless the context specifies otherwise, this means the Equity Listing Agreement to be signed between our Company and the Stock Exchange.
Lot Size	The Market lot and Trading lot for the Equity Share is [●] and in multiples of [●] thereafter; subject to a minimum allotment of [●] Equity Shares to the successful applicants.
Market Making Agreement	Market Making Agreement dated January 07, 2025, between our Company, Selling Shareholder, the Book Running Lead Manager and Market Maker.
Market Maker Reservation Portion	[●] Equity Shares of ₹10.00 each at ₹ [●] per Equity Share (including premium of ₹ [●] per Equity Share) aggregating to ₹ [●] Lakh reserved for subscription by the Market Maker.
Mobile App(s)	The mobile applications listed on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a>

Term	Description
	or such other website as may be updated from time to time, which may be used by RIIs to submit Applications using the UPI Mechanism.
Minimum Promoters' Contribution	<p>Aggregate of 20% of the fully diluted Post- Issue Equity Share capital of our Company held by our Promoters which shall be provided towards minimum promoters of 20% and locked-in for a period of three years from the date of Allotment.</p> <p>Lock-in on promoters holding held in excess of minimum promoter contribution (MPC) to be released in phased manner i.e. lock-in for 50% promoters' holding in excess of MPC shall be released after 1 year and lock-in for remaining 50% promoters' holding in excess of MPC shall be released after 2 years. *</p> <p>*As per recent amendment approved in the 208th meeting of the SEBI Board which was held on December 18, 2024, Mumbai. <a href="https://www.sebi.gov.in/media-and-notifications/press-releases/dec-2024/sebi-board-meeting_90042.html">https://www.sebi.gov.in/media-and-notifications/press-releases/dec-2024/sebi-board-meeting_90042.html</a>. We are adhering the same prior to the notification for the same to include in ICDR.</p>
Mutual Fund	A Mutual Fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended.
Mutual Fund Portion	5% of the Net QIB Portion, or [●] Equity Shares, which shall be available for allocation to Mutual Funds only on a proportionate basis, subject to valid Bids being received at or above the Offer Price
Net Issue	The Offer excluding the Market Maker Reservation Portion of upto [●] Equity Shares of face value of ₹ 10.00 each fully paid up for cash at a price of ₹ [●] per Equity Share (including premium of ₹ [●] per Equity Share) aggregating ₹ [●] Lakh by our Company.
Net Proceeds	Proceeds of the Offer that will be available to our Company, which shall be the gross proceeds of the Offer less the Offer expenses.
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allocated to the Anchor Investors.
Non-Institutional Investors / NIIs	All Applicants, including Category III FPIs that are not QIBs or Retail Individual Investors who have made Application for Equity Shares for an amount of more than ₹ 2.00 Lakh (but not including NRIs other than Eligible NRIs).
Non-Institutional Portion/ Non-Institutional Category	<p>The portion of the Offer being not less than 25% of the Issue, consisting of [●] Equity Shares, which shall be available for allocation on a proportionate basis to Non-Institutional Investors, subject to valid Bids being received at or above the Offer Price in the following manner:</p> <p>a) one third of the portion available to non-institutional investors shall be reserved for applicants with application size of more than two lakh rupees and up to ten lakh rupees;</p> <p>b) two third of the portion available to non-institutional investors shall be reserved for applicants with application size of more than ten lakh rupees:</p> <p>Provided that the unsubscribed portion in either of the sub-categories specified in clauses (a) or (b), may be allocated to applicants in the other sub-category of non-institutional investors.</p>
Non-Resident	A person resident outside India, as defined under FEMA Regulations
Non-Resident Indian / NRI	A person resident outside India, who is a citizen of India, or a Person of Indian Origin as defined under FEMA Regulations, as amended
NSE Emerge or NSE	Emerge Platform of National Stock Exchange of India Limited ("NSE Emerge")
Other Investor	Investors other than Retail Individual Investors. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
OCB / Overseas Corporate Body	Overseas Corporate Body means and includes an entity defined in clause (xi) of Regulation 2 of the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCB's) Regulations 2003 and which was in existence on the date of the commencement of these Regulations and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under the Regulations. OCBs are not allowed to invest in this Issue.
Offer	This Initial Public Offer of upto 25,39,800 Equity Shares of face value of ₹10/- each for cash at a price of ₹ [●] per Equity shares (including premium of ₹ [●] per Equity Share) aggregating to ₹[●] Lakhs comprising of Fresh Offer of upto 23,24,800 Equity Shares for cash at an Offer Price of ₹ [●]/- per Equity Share aggregating to ₹ [●] Lakhs by our Company and Offer for sale of upto 2,15,000 Equity Shares for cash at an Offer Price of ₹ [●]/- per Equity Share aggregating to ₹ [●] Lakhs by the Selling Shareholder

Term	Description
Offer for Sale	An offer for sale of upto 2,15,000 Equity Shares aggregating ₹ [●] Lakhs by the Selling Shareholder as part of this Offer, in terms of the Draft Red Herring Prospectus
Offer Period	The period between the Offer Opening Date and the Offer Closing Date inclusive of both days and during which prospective Bidders can submit their bids.
Offer Price	The final price at which Equity Shares will be Allotted to ASBA Bidders in terms of the Red Herring Prospectus and the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price in terms of the Red Herring Prospectus.  The Offer Price will be decided by our Company and the Selling Shareholder in consultation with the BRLM on the Pricing Date in accordance with the Book Building Process and the Draft Red Herring Prospectus.
Offer Proceeds	The proceeds of the Fresh Issue which shall be available to our Company and the proceeds of the Offer for Sale which shall be available to the Selling Shareholders. For further information about use of the Offer Proceeds, see <b>“Objects of the Offer”</b> on page 93
Offered Shares	Shall mean the Equity Shares offered by the Selling Shareholder in the Offer by way of Offer for Sale.
Pay-in-Period	The period commencing on the Bid/Issue Opening date and extended till the closure of the Anchor Investor Pay-in-Date.
Payment through electronic transfer of funds	Payment through NECS, NEFT or Direct Credit, as applicable.
Person or Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, Company, partnership, limited liability Company, joint venture, or trust or any other entity or organization validly constituted and / or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Price Band	Price Band of a minimum price (Floor Price) of ₹ [●] and the maximum price (Cap Price) of ₹ [●] and includes revisions thereof. The Price Band will be decided by our Company, Selling Shareholder in consultation with the Book Running Lead Manager and advertised in two national daily newspapers (one each in English and in Hindi) with wide circulation and one daily regional newspaper with wide circulation at least two working days prior to the Bid/ Offer Opening Date.
Pricing Date	The date on which our Company, Selling Shareholder in consultation with the Book Running Lead Manager, will finalize the Offer Price.
Prospectus	The Prospectus to be filed with the Registrar of Companies in accordance with the provisions of Section 26 & 32 of the Companies Act, 2013.
Public Issue Account	The account to be opened with the Banker to the Offer under Section 40 of the Companies Act, 2013 to receive monies from the ASBA Accounts on the Designated Date.
QIB Category/ QIB Portion	The portion of the Net Offer (including the Anchor Investor Portion) being [●] not more than 50% of the Net Issue, consisting of [●] Equity Shares aggregating to ₹ [●] lakhs which shall be Allotted to QIBs (including Anchor Investors) on a proportionate basis, including the Anchor Investor Portion (in which allocation shall be on a discretionary basis, as determined by our Company in consultation with the Book Running Lead Manager), subject to valid Bids being received at or above the Offer Price or Anchor Investor Offer Price (for Anchor Investors).
Qualified Institutional Buyers or QIBs	A qualified institutional buyer as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations, 2018.
Red Herring Prospectus / RHP	The Red Herring Prospectus to be issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be Issued and the size of the Offer, including any addenda or corrigenda thereto.
Refund Bank/ Refund Banker	Bank which is / are clearing member(s) and registered with the SEBI as Bankers to the Offer at which the Refund Account will be opened, in this case being [●].
Refund Account	The ‘no-lien’ and ‘non-interest bearing’ account opened with the Refund Bank, from which refunds, if any, of the whole or part, of the Bid Amount to the Anchor Investors shall be made.
Registered Brokers	Stockbrokers registered with the stock exchanges having nationwide terminals.
Registrar Agreement	The Agreement between the Registrar to the Offer and the Issuer Company, Selling Shareholder dated January 07, 2025 in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer.

Term	Description
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Registrar to the Offer	Registrar to the Offer being Maashitla Securities Private Limited.
Retail Individual Investors / RIIs	Applicants (including HUFs, in the name of Karta and Eligible NRIs) whose Application Amount for Equity Shares in the Offer is not more than ₹ 2.00 Lakh.
Revision Form	Form used by the Applicants to modify the quantity of the Equity Shares or the Applicant Amount in any of their ASBA Form(s) or any previous Revision Form(s). QIB Applicants and Non-Institutional Applicants are not allowed to withdraw or lower their applications (in terms of quantity of Equity Shares or the Application Amount) at any stage. Retail Individual Applicants can revise their Application during the Offer Period and withdraw their Applications until Offer Closing Date.
SCORES	SEBI Complaints Redress System, a centralized web-based complaints redressal system launched by SEBIs
Securities laws	Means the Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and the rules and regulations made thereunder, and the general or special orders, guidelines or circulars made or issued by the Board thereunder and the provisions of the Companies Act, 2013 or any previous company law and any subordinate legislation framed thereunder, which are administered by the Board.
Share Escrow Agent	Share Escrow Agent appointed pursuant to the Share Escrow Agreement, in this case being, [●]
Share Escrow Agreement	Share Escrow Agreement dated [●] entered into amongst the Selling Shareholder, our Company and the Share Escrow Agent in connection with the transfer of Equity Shares under the Offer by the Selling Shareholder and credit of such Equity Shares to the demat account of the Allottees.
SME Exchange	Emerge Platform of National Stock Exchange of India Limited (“NSE Emerge”)
Specified Locations	Collection centers where the SCSBs shall accept application form, a list of which is available on the website of SEBI ( <a href="https://www.sebi.gov.in/">https://www.sebi.gov.in/</a> ) and updated from time to time.
Specified Securities	Equity shares offered through this Draft Red Herring Prospectus.
Sub Syndicate Member	A SEBI Registered member of National Stock Exchange of India Limited appointed by the Book Running Lead Manager and/ or syndicate member to act as a Sub Syndicate Member in the Offer.
Syndicate	Includes the Book Running Lead Manager, Syndicate Members and Sub Syndicate Members
Syndicate Agreement	The agreement dated [●] entered amongst our Company, Selling Shareholder, the Book Running Lead Manager and the Syndicate Members, in relation to the collection of Bids in this Issue.
Syndicate ASBA Bidding Locations	Bidding Centers where an ASBA Bidder can submit their Bid in terms of SEBI Circular no. CIR/CFD/DIL/1/2011 dated April 29, 2011, namely Mumbai, Chennai, Kolkata, Delhi
Syndicate Members/ Members of the Syndicate	Intermediaries registered with SEBI eligible to act as a syndicate member and who is permitted to carry on the activity as an underwriter, in this case being [●].
Systemically Important Nonbanking Financial Company	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations.
Transaction Registration Slip/ TRS	The slip or document issued by the member of the Syndicate or SCSB (only on demand) as the case may be, to the Applicant as proof of registration of the Application.
SEBI (ICDR) Regulations/ ICDR Regulation/ Regulation	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 issued by SEBI on September 11, 2018, as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI (Venture Capital) Regulations	Securities Exchange Board of India (Venture Capital) Regulations, 1996 as amended from time to time.
Sponsor Bank	The Banker to the Offer registered with SEBI which is appointed by the issuer to act as a conduit between the Stock Exchanges and the National Payments Corporation of India in order to push the mandate collect requests and / or payment instructions of the RIIs into the UPI, the Sponsor Bank in this case being [●].
Underwriter	Gretex Corporate Services Limited and Gretex Share Broking Limited.
Underwriting Agreement	The agreement dated January 07, 2025, entered between the Underwriters, our Company, Selling Shareholder and the Book Running Lead Manager.
UPI Circulars	SEBI circular no. CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no.

Term	Description
	SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 SEBI Circular No: SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/76 dated May 30, 2022.and any subsequent circulars or notifications issued by SEBI in this regard.
UPI	Unified Payments Interface (UPI) is an instant payment system developed by the NPCI. It enables merging several banking features, seamless fund routing & merchant payments into one hood. UPI allows instant transfer of money between any two persons bank accounts using a payment address which uniquely identifies a person's bank a/c.
UP ID	ID created on Unified Payment Interface (UPI) for single-window mobile payment system developed by the National Payments Corporation of India (NPCI)
UPI Mandate Request	A request (intimating the UPI Bidder by way of a notification on the UPI application and by way of a SMS directing the UPI Bidder to such UPI application) to the UPI Bidder initiated by the Sponsor Banks to authorise blocking of funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment
UPI mechanism	The bidding mechanism that may be used by an UPI Bidder to make a Bid in the Offer in accordance with UPI Circulars.
UPI PIN	Password to authenticate UPI transaction.
U.S. Securities Act	U.S. Securities Act of 1933, as amended.
Venture Capital Fund/ VCF	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India
Willful Defaulter(s)	Willful defaulter as defined under Regulation 2(1)(III) of the SEBI (ICDR) Regulations, 2018.
Working Days	All days on which commercial banks in Kolkata are open for business; provided however, with reference to (a) announcement of Price Band; and (b) Bid/Issue Period, "Working Day" shall mean all days, excluding all Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; (c) the time period between the Bid / Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, "Working Day" shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the circulars issued by SEBI.

## CONVENTIONAL AND GENERAL TERMS

Term	Description
AIF(s)	Alternative Investment Funds as defined in and registered with SEBI under SEBI AIF Regulations.
Air Act	The Air (Prevention and Control of Pollution) Act, 1981
ASBA	Applications Supported by Blocked Amount
Authorized Dealers	Authorized Dealers registered with RBI under the Foreign Exchange Management (Foreign Currency Accounts) Regulations, 2000
Category I Foreign Portfolio Investor(s)	FPIs registered as Category I Foreign Portfolio Investors under the SEBI FPI Regulations.
Category II Foreign Portfolio Investor(s)	An FPI registered as a Category II Foreign Portfolio Investor under the SEBI FPI Regulations.
Category III Foreign Portfolio Investor(s)	FPIs registered as category III FPIs under the SEBI FPI Regulations, which shall include all other FPIs not eligible under category I and II foreign portfolio investors, such as endowments, charitable societies, charitable trusts, foundations, corporate bodies, trusts, individuals and family offices.
CGST	Central GST
COPRA	The Consumer Protection Act, 2019
Companies Act	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the Notified Sections) and the Companies Act, 2013, to the extent in force pursuant to the notification of the Notified Sections, read with the rules, regulations, clarifications and modifications thereunder.

Term	Description
Companies Act 2013	Companies Act, 2013, to the extent in force pursuant to the notification of the Notified Sections, read with the rules, regulations, clarifications and modifications thereunder.
Consolidated FDI Policy	The current consolidated FDI Policy, effective from August 28, 2017, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time
Contract Act	The Indian Contract Act, 1872
CSR	Corporate Social Responsibility
Depositories Act	The Depositories Act, 1996
Depository	A depository registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, GOI
DP	Depository Participant
DP ID	Depository Participant's identity number
DTC	Direct Tax Code, 2013
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization
EBITDA	EBITDA divided by Revenue from Operations
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting
Electricity Act	The Electricity Act, 2003
Environment Protection Act	The Environment (Protection) Act, 1986
EPA	The Environment Protection Act, 1986
EPF Act	The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
EPS	Earnings per share
e-RUPI	Prime Minister Narendra Modi launched a contactless, prepaid, electronic prepaid system
ER Act	The Equal Remuneration Act, 1976
ESI Act	The Employees' State Insurance Act, 1948
FCNR Account	Foreign Currency Non-Resident (Bank) account established in accordance with the FEMA
FDI	Foreign direct investment
FEMA	The Foreign Exchange Management Act, 1999 read with rules and regulations there under
FEMA 2000	The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000
FII(s)	Foreign Institutional Investors as defined under SEBI FPI Regulations
Financial Year / Fiscal Year / FY	The period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that calendar year
FIPB	Foreign Investment Promotion Board
Foreign Portfolio Investor or FPIs	A foreign portfolio investor, as defined under the SEBI FPI Regulations and registered with SEBI under applicable laws in India.
FRP	Fiber Reinforced Polymer
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI
GAAP	Generally Accepted Accounting Principles
GIR Number	General Index Registry Number
GoI / Government	Government of India
Gratuity Act	The Payment of Gratuity Act, 1972
GST Act	The Central Goods and Services Tax Act, 2017
Hazardous Wastes Rules	Hazardous Wastes (Management, Handling and Trans boundary Movement) Rules, 2008
ICAI	The Institute of Chartered Accountants of India
ICSI	The Institute of Company Secretaries of India
ID Act	The Industrial Disputes Act, 1947
IDRA	The Industrial (Development and Regulation) Act, 1951
IE Act	The Indian Easements Act, 1882
IEM	Industrial Entrepreneurs Memorandum
IFRS	International Financial Reporting Standards
IFSC	Indian Financial System Code
IGST	Integrated GST
IT Act	Income Tax Act, 1961
Indian GAAP	Generally Accepted Accounting Principles in India



Term	Description
INR or Rupee or ₹ or Rs.	Indian Rupee, the official currency of the Republic of India
Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended.
IPO	Initial Public Offering
ISIN	International Securities Identification Number
KMP	Key Managerial Personnel
Ltd.	Limited
Maternity Benefit Act	Maternity Benefit Act, 1961
M. A	Master of Arts
M.B.A.	Master of Business Administration
MCA	The Ministry of Corporate Affairs, GoI
M.Com	Master of Commerce
MCI	Ministry of Commerce and Industry, GoI
Mill & Fill	Removing the existing surface layer with a milling machine and then transporting the material to a storage facility
MSME	Micro, Small and Medium Enterprise
MSMED Act	The Micro, Small and Medium Enterprises Development Act, 2006
MWA	Minimum Wages Act, 1948
MoEF	Ministry of Environment and Forests
MoF	Ministry of Finance, Government of India
MOU	Memorandum of Understanding
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
Networth	Networth as defined under Regulation 2(1)(hh) of the SEBI ICDR Regulations means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation
NI Act	The Negotiable Instruments Act, 1881
Noise Regulation Rules	The Noise Pollution (Regulation & Control) Rules 2000
Notified Sections	The sections of the Companies Act, 2013 that have been notified by the MCA and are currently in effect
NPV	Net Present Value
NR / Non-resident	A person resident outside India, as defined under the FEMA and includes a Non-resident Indian
NRE Account	Non-Resident External Account established and operated in accordance with the FEMA
NRIs	Non-Resident Indians
NRO Account	Non-Resident Ordinary Account established and operated in accordance with the FEMA
NSDL	National Securities Depository Limited
OCB	Overseas Corporate Bodies
Pcs	Pieces
P/E Ratio	Price / Earnings Ratio
PAN	Permanent account number
Petroleum Act	Petroleum Act, 1934
Petroleum Rules	Petroleum Rules, 2002
PAT	Profit after Tax
PAT Margin	PAT for the period/year divided by revenue from operations
PIL	Public Interest Litigation
POB Act	Payment of Bonus Act, 1965
PPP	Public Private Partnership
Public Liability Act / PLI Act	The Public Liability Insurance Act, 1991
Pvt. / (P)	Private
PWD	Public Works Department of state governments
QFI(s)	Qualified Foreign Investor(s) as defined under the SEBI FPI Regulations
QIC	Quarterly Income Certificate
RBI	The Reserve Bank of India
R&D	Research & Development

Term	Description
Registration Act	The Indian Registration Act, 1908
RoC or Registrar of Companies	The Registrar of Companies
ROCE	Return on Capital Employed
ROE	Return on Equity
RONW	Return on Networth
RTGS	Real Time Gross Settlement
Rule 144A	Rule 144A under the U.S. Securities Act, 1933
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time.
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI (ICDR) Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, including instructions and clarifications issued by SEBI from time to time
SEBI (LODR) Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including instructions and clarifications issued by SEBI from time to time
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternate Investment Funds) Regulations, 2012
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
Sec.	Section
SGST	State GST
SHWW / SHWW Act	The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
SME	Small and Medium Enterprise
STT	Securities Transaction Tax
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time.
TM Act	The Trademarks Act, 1999
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
U.S. Securities Act	The United States Securities Act, 1933
US\$ or USD or US Dollars	United States Dollar, the official currency of the United States of America
USA or U.S. or US	United States of America
VAT	Value Added Tax
Wages Act	Payment of Wages Act, 1936
Water Act	The Water (Prevention and Control of Pollution) Act, 1974
WCA	The Workmen's Compensation Act, 1923
Willful Defaulter	A willful defaulter, as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations, means a person or an issuer who or which is categorized as a willful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India

#### TECHNICAL / INDUSTRY RELATED TERMS

Term	Full Form
APC	Air Pollution Control
B2B	Business to Business
BIS	Bureau of Indian Standards
CAGR	Compounded Annual Growth Return
CFRP	Carbon Fiber Reinforced Polymer
DG	Diesel Generator
DSIR	Department of Scientific & Industrial Research
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization
ECLGS	Emergency Credit Linked Guarantee Scheme
EMI	Equal Monthly Instalments
EPCG	Export Promotion Capital Goods

ERP	Enterprise Resource Planning
FDI	Foreign Direct Investment
FRP	Fiber Glass Reinforce Polymers
WOC	The World of Concrete India
GFRP	Glass Fiber Reinforce Polymers
FIPB	Foreign Investment Promotion Board
FY	Financial Year
FRP	Fiber Reinforced Plastic
GDP	Gross Domestic Product
GRP	Glass Reinforce Polymers
IMF	International Monetary Fund
ISO	International Organization for Standardization
ITR	Income Tax Return
KPI	Key performance indicators
KVA	Kilo-Volt-Amphere
LC	Letter of Credit
LLP	Limited Liability Partnership
MDB	Multilateral Development Banks
MMS	Moulded mounting structure
MSME	Micro, Small, and Medium Enterprises
MTR	Meter
MW	Mega Watt
NSO	National Statistical Office
PAT	Profit After Tax
PM	Prime Minister
PMAY	Pradhan Mantri Aawas Yojna
QMS	Quality Management System
R&D	Research and development
SME	Small and Medium Enterprise
SPCB	State Pollution Control Board
SSI	Small Scale Industries
UV	Ultraviolet

## ABBREVIATIONS

Abbreviation	Full Form
AS / Accounting Standard	Accounting Standards as issued by the Institute of Chartered Accountants of India
A/c	Account
AGM	Annual General Meeting
ASBA	Applications Supported by Blocked Amount
Amt	Amount
AIF	Alternative Investment Funds registered under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended.
AY	Assessment Year
AOA	Articles of Association
Approx	Approximately
B. A	Bachelor of Arts
BBA	Bachelor of Business Administration
B. Com	Bachelor of Commerce
B. E	Bachelor of Engineering
B.Sc.	Bachelor of Science
B. Tech	Bachelor of Technology
Bn	Billion
BG / LC	Bank Guarantee / Letter of Credit
BIFR	Board for Industrial and Financial Reconstruction
CDSL	Central Depository Services (India) Limited
CAGR	Compounded Annual Growth Rate
CAN	Confirmation of Allocation Note
CA	Chartered Accountant
CB	Controlling Branch

Abbreviation	Full Form
CC	Cash Credit
CCI	The Competition Commission of India
CFO	Chief Financial Officer
CGST	Central GST
CIN	Corporate Identification Number
CIT	Commissioner of Income Tax
CS	Company Secretary
CSR	Corporate Social Responsibility
CS & CO	Company Secretary & Compliance Officer
CENVAT	Central Value Added Tax
CST	Central Sales Tax
CWA / ICWA	Cost and Works Accountant
CMD	Chairman and Managing Director
Depository Depositories	or National Securities Depository Limited and Central Depository Services (India) Limited
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce, Government of India
DP	Depository Participant
DP ID	Depository Participant's Identification Number
EBITDA	Earnings Before Interest, Taxes, Depreciation & Amortisation
ECS	Electronic Clearing System
ESIC	Employee's State Insurance Corporation
EPS	Earnings Per Share
EGM / EOGM	Extraordinary General Meeting
NSE Emerge	Emerge Platform of National Stock Exchange India Limited ("NSE Emerge")
ESOP	Employee Stock Option Plan
EXIM / EXIM Policy	Export – Import Policy
FCNR Account	Foreign Currency Non-Resident Account
FIPB	Foreign Investment Promotion Board
FY / Fiscal / Financial Year	Period of twelve months ended March 31 of that year, unless otherwise stated
FEMA	Foreign Exchange Management Act, 1999 as amended from time to time, and the regulations framed there under.
FCNR Account	Foreign Currency Non-Resident Account
FBT	Fringe Benefit Tax
FDI	Foreign Direct Investment
FIs	Financial Institutions
FIIs	Foreign Institutional Investors (as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000) registered with SEBI under applicable laws in India
FPIs	"Foreign Portfolio Investor" means a person who satisfies the eligibility criteria prescribed under regulation 4 and has been registered under Chapter II of Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, which shall be deemed to be an intermediary in terms of the provisions of the SEBI Act, 1992.
FTA	Foreign Trade Agreement.
FVCI	Foreign Venture Capital Investors registered with SEBI under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000.
FV	Face Value
GoI / Government	Government of India
GDP	Gross Domestic Product
GAAP	Generally Accepted Accounting Principles in India
GST	Goods and Service Tax
GVA	Gross Value Added
HUF	Hindu Undivided Family
ICAI	The Institute of Chartered Accountants of India
ICAI (Previously known as ICWAI)	The Institute of Cost Accountants of India
IMF	International Monetary Fund
INR / Rupees / Rs.	Indian Rupees, the legal currency of the Republic of India

Abbreviation	Full Form
IIP	Index of Industrial Production
IPO	Initial Public Offer
ICSI	The Institute of Company Secretaries of India
IFRS	International Financial Reporting Standards
HNI	High Networth Individual
i.e.	That is
I.T. Act	Income Tax Act, 1961, as amended from time to time
IT Authorities	Income Tax Authorities
IT Rules	Income Tax Rules, 1962, as amended, except as stated otherwise
Indian GAAP	Generally Accepted Accounting Principles in India
IRDA	Insurance Regulatory and Development Authority
KMP	Key Managerial Personnel
BRLM	Book Running Lead Manager
Ltd.	Limited
MAT	Minimum Alternate Tax
MoF	Ministry of Finance, Government of India
M-o-M	Month-On-Month
MOU	Memorandum of Understanding
M. A	Master of Arts
M. B. A	Master of Business Administration
M. Com	Master of Commerce
Mn	Million
M. E	Master of Engineering
MRP	Maximum Retail Price
M. Tech	Master of Technology
Merchant Banker	Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
MAPIN	Market Participants and Investors Database
MSMEs	Micro, Small and medium Enterprises
MoA	Memorandum of Association
MRP	Maximum Retail Price
NA	Not Applicable
NEFT	National Electronic Funds Transfer
NECS	National Electronic Clearing System
NAV	Net Asset Value
NPV	Net Present Value
NRIs	Non-Resident Indians
NRE Account	Non-Resident External Account
NRO Account	Non-Resident Ordinary Account
NOC	No Objection Certificate
NSDL	National Securities Depository Limited
OCB	Overseas Corporate Bodies
P.A.	Per Annum
PF	Provident Fund
PG	Post Graduate
PAC	Persons Acting in Concert
P / E Ratio	Price / Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
PLI	Postal Life Insurance
POA	Power of Attorney
PSU	Public Sector Undertaking(s)
Pvt.	Private
RBI	The Reserve Bank of India
ROE	Return on Equity
R&D	Research & Development
RONW	Return on Networth
RTGS	Real Time Gross Settlement

Abbreviation	Full Form
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SCSB	Self-Certified Syndicate Banks
SEBI	Securities and Exchange Board of India
SICA	Sick Industrial Companies (Special provisions) Act, 1985, as amended from time to time
SME	Small and Medium Enterprises
STT	Securities Transaction Tax
Sec.	Section
TAN	Tax Deduction Account Number
TRS	Transaction Registration Slip
TIN	Taxpayers Identification Number
UAE	United Arab Emirates
US / United States	United States of America
UPI	Unified Payments Interface as a payment mechanism through National Payments Corporation of India with Application Supported by Block Amount for applications in public issues by retail individual investors through SCSBs
USD / US\$ / \$	United States Dollar, the official currency of the Unites States of America
VCF / Venture Capital Fund	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.
VAT	Value Added Tax
w.e.f.	With effect from
YoY	Year over Year

The words and expressions used but not defined in this Draft Red Herring Prospectus will have the same meaning as assigned to such terms under the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 (the “SEBI Act”), the SCRA, SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 the Depositories Act and the rules and regulations made thereunder.

Notwithstanding the foregoing, terms in “*Main Provisions of the Articles of Association*”, “*Statement of Special Tax Benefits*”, “*Industry Overview*”, “*Regulations and Policies in India*”, “*Financial Information of the Company*”, “*Outstanding Litigations and Material Developments*” and “*Issue Procedure*”, will have the meaning ascribed to such terms in these respective sections.

## CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND MARKET DATA AND CURRENCY OF FINANCIAL PRESENTATION

In this Draft Red Herring Prospectus, the terms “we”, “us”, “our”, the “Company”, “our Company” and “ARC Insulation”, “ARC INSULATION & INSULATORS”, “ARCIIL” “ARC” unless the context otherwise indicates or implies, refers to ARC INSULATION & INSULATORS LIMITED.

### CERTAIN CONVENTION

All references in this Draft Red Herring Prospectus to “India” are to the Republic of India. In this Draft Red Herring Prospectus, our Company has presented numerical information in “lakhs” units. One lakh represents 1,00,000.

### FINANCIAL DATA

Unless stated otherwise, the financial data in this Draft Red Herring Prospectus is derived from our Audited Restated Financial Statements of Assets and Liabilities, Profit and Loss and Cash Flow Statement of our Company for the seven months period ended on October 31, 2024 and Financial Year ended March 31, 2024, March 31, 2023 and March 31, 2022, prepared in accordance with Indian GAAP, the Companies Act and restated in accordance with the SEBI (ICDR) Regulations, Guidance Note on “*Reports in Company Prospectus (Revised 2019)*” issued by ICAI and the Indian GAAP which are included in this Draft Red Herring Prospectus, and set out in “*Financial Statements as Restated*” on page 216 of this Draft Red Herring Prospectus.

In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sum of the amounts listed are due to rounding off. All figures in decimals have been rounded off to the two decimal place and all percentage figures have been rounded off to two decimal places and accordingly there may be consequential changes in this Draft Red Herring Prospectus.

Our Company’s financial year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that calendar year, so all references to a particular financial year are to the 12-month period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year.

There are significant differences between Indian GAAP and IND (AS). Accordingly, the degree to which the Restated Financial Statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices, Indian GAAP, IND (AS), the Companies Act and the SEBI (ICDR) Regulations, on the Restated Financial Statements presented in this Draft Red Herring Prospectus should accordingly be limited. Although we have included a summary of qualitative and quantitative differences between Indian GAAP and IND (AS), our financial statements reported under IND (AS) in future accounting periods may not be directly comparable with our financial statements historically prepared in accordance with Indian GAAP, including disclosed in this Draft Red Herring Prospectus. You should consult your own advisors regarding such differences and their impact on our financial data.

Any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*”, “*Management’s Discussion and Analysis of Financial Position and Results of Operations*” and elsewhere in this Draft Red Herring Prospectus unless otherwise indicated, have been calculated on the basis of the Company’s restated financial statements prepared in accordance with the applicable provisions of the Companies Act, Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Statutory Auditor, set out in the section titled ‘*Financial Statements as Restated*’ beginning on page 216 of this Draft Red Herring Prospectus.

For additional definitions used in this Draft Red Herring Prospectus, see the section “*Definitions and Abbreviations*” on page 4 of this Draft Red Herring Prospectus. In the section titled “*Main Provisions of the Articles of Association*”, on page 311 of the Draft Red Herring Prospectus defined terms have the meaning given to such terms in the Articles of Association of our Company.

### CURRENCY AND UNITS OF PRESENTATION

In this Draft Red Herring Prospectus, unless the context otherwise requires, all references to:

- (a) ‘Rupees’ or ‘₹’ or ‘Rs.’ or ‘INR’ are to Indian rupees, the official currency of the Republic of India;
- (b) ‘US Dollars’ or ‘US \$’ or ‘USD’ or ‘\$’ are to United States Dollars, the official currency of the United States of America.

All references to the word ‘Lakh’ or ‘Lakhs’, ‘Lac’ or ‘Lacs’, means ‘One hundred thousand’ and the word ‘Million’ means ‘Ten lakh’ and the word ‘Crore’ means ‘Ten Million’ and the word ‘Billion’ means ‘One Thousand Million’.

Any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*”, “*Management's Discussion and Analysis of Financial Condition and Results of Operations*” and elsewhere in this Draft Red Herring Prospectus, unless otherwise indicated, have been calculated based on our financial statements as restated prepared in accordance with Indian GAAP.

## DEFINITIONS

For definitions, please see the Chapter titled “*Definitions and Abbreviations*” on page no. 4 of this Draft Red Herring Prospectus. In the Section titled “*Main Provisions of Articles of Association*” beginning on page no. 311 of this Draft Red Herring Prospectus, defined terms have the meaning given to such terms in the Articles of Association.

## INDUSTRY AND MARKET DATA

Unless stated otherwise, industry and market data used throughout this Draft Red Herring Prospectus has been obtained or derived from Internal Company reports and industry and Government publications, publicly available information and sources. Industry and Government publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed, and their reliability cannot be assured. Although, our Company believes that industry data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified either by the Company or the Book Running Lead Manager or any of their respective affiliates or advisors.

Further, the extent to which the industry and market data presented in this Draft Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of, the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources. Accordingly, investment decisions should not be based solely on such information.

In accordance with the SEBI (ICDR) Regulations, “*Basis for Offer Price*” on page 110 of this Draft Red Herring Prospectus includes information relating to our peer group entities. Such information has been derived from publicly available sources, and neither we, nor the Book Running Lead Manager have independently verified such information. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in “*Risk Factors*” on page 34 of this Draft Red Herring Prospectus.

## EXCHANGE RATES

This Draft Red Herring Prospectus may contain conversions of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI (ICDR) Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Indian Rupee and other foreign currencies:

Currency	For the seven months period ended on	For the Financial Year ended on		
	October 31, 2024	March 31, 2024	March 31, 2023	March 31, 2022
1 USD*	84.08	83.37	82.21	75.80
1 Russian Ruble	0.87	0.90	1.06	0.91

\* If the RBI reference rate is not available on a particular date due to a public holiday, exchange rate of the previous working day has been disclosed.

\*Source: For USD: [www.fbil.org.in](http://www.fbil.org.in)  
For Russian Ruble : <https://www.xe.com>  
All figures are rounded up to two decimals.

## TIME

All references to time in this Draft Red Herring Prospectus are to Indian Standard Time. Unless stated otherwise, or the context requires otherwise, all references to a “year” in this Draft Red Herring Prospectus are to a calendar year.



## FORWARD LOOKING STATEMENTS

All statements contained in this Draft Red Herring Prospectus that are not statements of historical fact constitute forward-looking statements. All statements regarding our expected financial condition and results of operations, business, plans and prospects are forward-looking statements. These forward-looking statements include statements with respect to our business strategy, our revenue and profitability, our projects and other matters discussed in this Draft Red Herring Prospectus regarding matters that are not historical facts. Investors can generally identify forward-looking statements by the use of terminology such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “project”, “may”, “will”, “will continue”, “will pursue”, “contemplate”, “future”, “goal”, “propose”, “will likely result”, “will seek to” or other words or phrases of similar import. All forward looking statements (whether made by us or any third party) are predictions and are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. These statements are based on our management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect.

Further, the actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the our Sector in India where we have our businesses and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India and overseas which have an impact on our business activities or investments, the monetary and fiscal policies of India and other jurisdictions in which we operate, inflation, deflation, unanticipated volatility in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes, changes in competition in our industry and incidence of any natural calamities and / or acts of violence. Other important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- Geographical concentration of business to key cities;
- Disruption in our manufacturing facility;
- Failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
- Recession in the market;
- Changes in laws and regulations relating to the industries in which we operate;
- Our ability to meet our capital expenditure requirements;
- Failure to adapt to the changing technology in our industry of operation may adversely affect our business and financial condition;
- The performance of the financial markets in India and globally;
- Our ability to effectively manage a variety of business, legal, regulatory, economic, social and political risks associated with our operations;
- Our failure to keep pace with rapid changes in the sector in which we operate;
- Our ability to expand our geographical area of operation;
- Concentration of ownership among our Promoters;
- Failure to obtain, maintain or renew our statutory and regulatory approvals, licenses and registrations required to operate our business.
- Significant increases in prices of, or shortages of, or disruption in supply of labour and key building materials;
- Our reliance on internet network and our ability to utilize systems in an uninterrupted manner;

- Our ability to attract, retain and manage qualified personnel;
- Dependencies on our development partners to fulfil their obligations under the respective joint development agreements;
- Our ability to protect our intellectual property rights and not infringing intellectual property rights of other parties;
- Failure to adapt to the changing scenarios in our industry of operation may adversely affect our business and financial condition;
- General economic and business conditions in India and other countries;

For further discussions of factors that could cause our actual results to differ, please see the section titled “**Risk Factors**”, chapters titled “**Our Business**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” beginning on pages 34, 138 and 217 of this Draft Red Herring Prospectus, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

There can be no assurance to investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements to be a guarantee of our future performance.

Forward looking statements reflects views as of the date of the Draft Red Herring Prospectus and not a guarantee of future performance. By their nature, certain market risk disclosures are only estimates and could be materially different from what occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither our Company / our Directors nor the Book Running Lead Manager, nor any of its affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and the Book Running Lead Manager will ensure that investors in India are informed of material developments until the listing and trading permission is granted by the Stock Exchange(s).

In accordance with the SEBI ICDR Regulations, our Company, will ensure that the Bidders in India are informed of material developments from the date of this Draft Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchange for the Equity Shares pursuant to the Offer. The Selling Shareholder shall ensure that it will keep the Company and BRLM informed of all material developments pertaining to its respective portion of the Equity Shares under the Offer for Sale, as Selling Shareholder from the date of this Draft Red Herring Prospectus until receipt of final listing and trading approvals by the Stock Exchange for this Offer, that may be material from the context of the Offer.

## SECTION II: SUMMARY OF OFFER DOCUMENT

The following is a general summary of the terms of the Offer included in this Draft Red Herring Prospectus and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Red Herring Prospectus when filed, or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Red Herring Prospectus, including the sections titled “**Risk Factors**”, “**The Offer**”, “**Capital Structure**”, “**Objects of the Offer**”, “**Our Industry**”, “**Our Business**”, “**Our Promoters and Promoter Group**”, “**Financial Information**”, “**Outstanding Litigation and Other Material Developments**” and “**Issue Procedure**” on pages 34,60, 78, 93, 120, 138, 206, 216, 234 and 275 respectively of this Draft Red Herring Prospectus.

### A. OVERVIEW OF INDUSTRY

The Glass Fiber Reinforced Polymers (GFRP)/ Fiberglass Reinforced Plastic (FRP) industry in India plays a pivotal role in the nation’s economic development, driven by its contributions across multiple industrial sectors. As a leading manufacturer of GFRP/ FRP tubes, products, and ladders, the industry supports key areas including Infrastructure, Power, Cooling Tower, Chemical, Composite, Electrical Substation, Metal & Mining and others. In India, the GFRP / FRP industry is integral to the country’s infrastructure growth and industrial expansion. The mining sector benefits from GFRP/ FRP’s durability and resistance to harsh conditions, while the chemical and petrochemical industries rely on GFRP/FRP’s ability to withstand corrosive environments.

For further details kindly refer to chapter titled “**Overview of Industry**” beginning on pages 120 of this Draft Red Herring Prospectus.

### B. OVERVIEW OF BUSINESS

Our company was incorporated on September 10, 2008, specializing in the manufacturing and supply of Glass Fiber Reinforced Polymers (“**GFRP**”)/ Fiber Reinforced Polymers (“**FRP**”) composite/constituency products. Our offerings include GFRP/FRP Rebars, GFRP/FRP Granting Walkways, GFRP/FRP Pipelines, GFRP/FRP Tubes, GFRP/FRP Fencing for Transformers, GFRP/FRP Cable Trays, and other related products designed for industrial, energy and marine’s sectors. In addition to our core business, the company acquired the ongoing business of our promoter, ‘M/s ARC Insulation & Insulators,’ a sole proprietorship, through a business transfer agreement dated June 01, 2009.

For further details kindly refer to chapter titled “**Business Overview**” beginning on pages 138, of this Draft Red Herring Prospectus.

### C. OUR PROMOTERS

As on date of filing of Draft Red Herring Prospectus our company is promoted by Mr. Manish Bajoria, M/s. Swabhumi Distributors Private Limited, Ms. Neelam Bajoria, M/s. Manish Bajoria HUF and Mr. Ashish Bajoria.

For further details kindly refer to chapter titled “**Our Promoter and Promoter Group**” beginning on pages 206, of this Draft Red Herring Prospectus.

### D. DETAILS OF THE OFFER

<b>Equity Shares Offered</b> Present Offer of Equity Shares by our Company <sup>^</sup> .	Issue of upto 25,39,800* Equity Shares of ₹ 10.00 each for cash at a price of ₹ [●] per Equity Share (including premium of ₹ [●] per Equity Share) aggregating to ₹ [●] Lakhs
<b>The Offer consists of:</b>	
<b>Fresh Issue</b>	Up to 23,24,800 Equity Shares of face value of ₹10/- each fully paid for cash at a price of ₹ [●] /- per Equity Share aggregating ₹ [●] Lakhs
<b>Offer for Sale<sup>(1)</sup></b>	Up to 2,15,000 Equity Shares of face value of ₹10/- each fully paid for cash at a price of ₹ [●] /- per Equity Share aggregating ₹ [●] Lakhs
<b>Out of which:</b>	
<b>Market Maker Reservation Portion</b>	[●] Equity Shares of ₹ 10.00 each fully paid-up of our Company for cash at a price of ₹ [●] per Equity Share (including premium of ₹ [●] per Equity Share) aggregating to ₹ [●] Lakhs.
<b>Net Offer to the Public</b>	[●] Equity Shares of ₹ 10.00 each fully paid-up of our Company for cash at a price of ₹ [●] per Equity Share (including premium of ₹ [●] per Equity Share) aggregating to ₹ [●] Lakhs.

\* Subject to finalization of the Basis of Allotment

^The Offer has been authorised pursuant to the resolutions dated September 21, 2024 and September 23, 2024, passed by the Board and Shareholders of the Company respectively.

(1) The Selling Shareholder has confirmed and authorized its participation in the offer for sale in relation to the offered Shares. The Selling Shareholder confirm that the offered shares have been held by it for a period of at least one year prior to the filing of this Draft Red Herring Prospectus with NSE Emerge in accordance with Regulation 8 of the SEBI ICDR Regulations or are otherwise eligible for being offered for sale in the offer in accordance with the provisions of the SEBI ICDR Regulations. For details on the authorization and consent of the selling shareholder in relation to the offered shares, see “The Offer” and “Other Regulatory and Statutory Disclosures” on pages 60 and 249, respectively.

## E. OBJECT OF THE OFFER

This Offer Document comprises of Fresh Issue of upto 23,24,800 Equity Shares by our Company aggregating to ₹ [●] Lakhs and an Offer for Sale of up to 2,15,000 Equity Shares by the Selling Shareholder. Our Company will not receive any proceeds received from the Offer for Sale by the Selling Shareholder. However, except for the listing fees which shall be solely borne by our Company, all offer expenses will be shared, upon successful completion of the Offer, between our Company and the Selling Shareholder on a pro-rata basis, in proportion to the Equity Shares issued and allotted by our Company in the Fresh Issue and the offered shares sold by the Selling Shareholder in the Offer for Sale.

The Net Proceeds of the Offer are proposed to be used in accordance with the details provided in the following table:

(₹ in Lakhs)

Particulars	Total Estimated Amount *
Capital Expenditure towards set up of Factory shed to setup new Manufacturing unit	357.38
Capital Expenditure towards Purchase of Plant & machinery to Facilitate New Manufacturing unit	377.22
Purchase of new Office space/ Repayment of Bridge Loan against New Office Space	391.00
Repayment/Pre-payment of Certain Debt Facilities	132.77
Working Capital Requirement (for the F.Y. 2025-26)	1,634.61
General Corporate Purposes*	[●]
<b>Total</b>	<b>[●]</b>

\* To be finalised upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC.

\*\*General Corporate Purpose shall not exceed 25% of the Net Offer Proceeds

For further details, see “Objects of the Offer” beginning on page 93.

## F. UTILIZATION OF NET OFFER PROCEEDS

The Net Offer Proceeds will be utilized for following purpose:

(₹ in Lakhs)

Particulars	Amount (₹ in Lakhs)	% of Gross Issue Proceeds
Capital Expenditure towards set up of Factory shed to setup new Manufacturing unit	357.38	[●]
Capital Expenditure towards Purchase of Plant & machinery to Facilitate New Manufacturing unit	377.22	[●]
Purchase of new Office space/ Repayment of Bridge Loan against New Office Space	391.00	[●]
Repayment/Pre-payment of Certain Debt Facilities	132.77	[●]
Working Capital Requirement	1,634.61	[●]
General Corporate Purposes*	[●]	[●]
<b>Total</b>	<b>[●]</b>	<b>[●]</b>

\*General Corporate Purpose shall not exceed 25% of the Net Offer Proceeds

For further details, see “Objects of the Offer” beginning on page 93.

## G. PRE-ISSUE AND POST-ISSUE SHAREHOLDING OF OUR PROMOTERS AND PROMOTER GROUP AND SELLING SHAREHOLDERS AS A PERCENTAGE OF THE PAID-UP SHARE CAPITAL OF THE COMPANY

Sr. No.	Category of Promoter	Pre – Issue		Post - Issue	
		No. of Shares	As a % of paid-up Equity Capital	No. of Shares	As a % of paid-up Equity Capital*
	<b>Promoters (A)</b>				
1.	Mr. Manish Bajoria (Promoter and Selling Shareholder)	36,95,280	50.95	34,80,280	[●]
2.	M/s. Swabhumi Distributors Private Limited	17,00,000	23.44	17,00,000	[●]
3.	Ms. Neelam Bajoria	12,36,000	17.04	12,36,000	[●]
4.	M/s. Manish Bajoria (HUF)	1,40,000	1.93	1,40,000	[●]
5.	Mr. Ashish Bajoria	400	0.01	400	[●]
	<b>Total (A)</b>	<b>67,71,680</b>	<b>93.37</b>	<b>65,56,680</b>	<b>[●]</b>
	<b>Promoter Group (B)</b>				
1.	Mr. Aman Bajoria	80,000	1.10	80,000	[●]
2.	Ms. Premlata Bajoria	400	0.01	400	[●]
	<b>Total (B)</b>	<b>80,400</b>	<b>1.11</b>	<b>80,400</b>	<b>[●]</b>
	<b>Total (A) + (B)</b>	<b>68,52,080</b>	<b>94.48</b>	<b>66,37,080</b>	<b>[●]</b>

\* Subject to finalization of the Basis of Allotment

## H. SUMMARY OF RESTATED FINANCIAL INFORMATION

Based on Restated Financial Statements for the seven months period ended on October 31, 2024 and for the year ended as on March 31, 2024, 2023 and 2022:

(₹ in Lakhs except stated otherwise)

Particulars	For the period and Financial Year Ended on			
	October 31, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Share Capital	725.24	171.30	171.30	171.30
Reserves and surplus	1,400.26	1,073.98	463.58	199.77
Networth	2,125.50	1,245.28	634.88	371.08
Total Income	1,895.19	2,883.37	2,448.01	1,172.56
Profit after Tax	503.21	610.40	263.81	23.85
Total Borrowings	173.99	232.76	535.84	409.17
<b>Other Financial Information</b>				
Basic & Diluted EPS (Pre-Bonus) (₹)	7.28	35.63	15.40	2.02
Basic & Diluted EPS (Post Bonus) (₹)	7.28	8.91	3.85	0.51
Return on Networth (%)	23.67	49.02	41.55	9.34
Net Asset Value Per Share (Pre-Bonus) (₹)	30.76	72.69	37.06	21.66
Net Asset Value Per Share (Post Bonus) (₹)	30.76	18.17	9.27	5.42

For further details, see “*Financial Information – Restated Financial Information*” on page 216 of this Draft Red Herring Prospectus.

The table below sets out some of our financial and other metrics as at and for the seven months period ended October 31, 2024 and financial years ended March 31, 2024, March 31, 2023, and March 31, 2022, based on our Restated Financial Information:

(₹ in Lakhs)

Key Financial Performance Indicators	For the Seven months period ended October 31, 2024	Financial Year ended March 31, 2024	Financial Year ended March 31, 2023	Financial Year ended March 31, 2022
Revenue from operations <sup>(1)</sup>	1,887.32	2,845.47	2,398.25	1,154.17
EBITDA <sup>(2)</sup>	744.31	905.23	428.93	113.73
EBITDA Margin % <sup>(3)</sup>	39.44	31.81	17.89	9.85
PAT	503.21	610.40	263.81	23.85
PAT Margin % <sup>(4)</sup>	26.66	21.45	11.00	2.07
Net worth <sup>(5)</sup>	2,125.50	1,245.28	634.88	371.08
RoE % <sup>(6)</sup>	29.86	64.93	52.45	6.59
RoCE% <sup>(7)</sup>	36.49	61.85	36.55	6.74

**Notes:**

- (1) Revenue from Operations means the Revenue from Operations as appearing in the Restated Financial Statements  
(2) EBITDA is calculated as Profit before tax + Depreciation + Finance Costs - Other Income.  
(3) 'EBITDA Margin' is calculated as EBITDA divided by Revenue from Operations.  
(4) 'PAT Margin' is calculated as PAT for the period/year divided by revenue from operations.  
(5) Net worth as defined under Regulation 2(1)(hh) of the SEBI ICDR Regulations means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation (6) Return on Equity is ratio of Profit after Tax and Average Shareholder Equity  
(6) Return on Equity is ratio of Profit after Tax and Average Shareholder Equity  
(7) Return on Capital Employed is calculated as EBIT divided by Average capital employed, which is defined as shareholders' equity plus total debt. Here, EBIT is calculated as Profit before tax + Finance Costs.

**Other Operational Indicators**

Particulars	For the seven months ended, October 31, 2024	For financial year ended March 31, 2024	For financial year ended March 31, 2023	For financial year ended March 31, 2022
Total Revenue from Operations (₹ in Lakhs)	1,878.29	2,825.75	2,398.25	1,154.17
Total Actual Production (Tons)	897.33	1334.71	1216.85	671.62
Average Revenue Per Ton (₹ in Lakhs) (1)	2.09	2.12	1.97	1.72
Total No of Customers	55	83	77	92
Average Revenue Per Customer (₹ in Lakhs) (2)	34.15	34.05	31.15	12.55

**Notes:**

- (1) Average Revenue per Ton: Total revenue from operations divided by total actual production (tons).  
(2) Average Revenue Per Customer: Total revenue from operations divided by total number of customers.

**I. QUALIFICATION OF THE AUDITORS**

The Auditor report of Restated Financial Statements of our Company does not contain any qualification which have not been given effect to in Restated Financial Statements.

**J. SUMMARY OF OUTSTANDING LITIGATION ARE AS FOLLOWS**

A summary of outstanding litigation proceedings involving our Company, Subsidiaries, Directors and Promoters, as of the date of this Draft Red Herring Prospectus, as also disclosed in "**Outstanding Litigation and Material Developments**" on page 234, in terms of the SEBI ICDR Regulations and the materiality policy adopted by our Board pursuant to a resolution dated September 03, 2024 is provided below:

Name of Entity	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by SEBI or Stock Exchanges against our Promoters	Material civil litigations	Aggregate amount involved (in ₹ lakhs)
<b>Company</b>						
By our Company	Nil	Nil	Nil	Nil	Nil	Nil
Against our Company	Nil	19	Nil	Nil	Nil	69.14
<b>Subsidiaries</b>						

(₹ in Lakhs)

By the Subsidiaries	NA	NA	NA	NA	NA	NA
Against the Subsidiaries	NA	NA	NA	NA	NA	NA
<b>Directors<sup>s</sup></b>						
By the Directors	1*	Nil	Nil	Nil	1*	7.57
Against the Directors	Nil	Nil	Nil	Nil	Nil	Nil
<b>Promoters</b>						
By the Promoters	1*	Nil	Nil	Nil	1*	7.57
Against the Promoters	Nil	4	Nil	Nil	Nil	1.90

\*To the extent quantifiable excluding interest and penalty thereon.

## K. RISK FACTORS

Investors should read chapter titled “**Risk Factors**” beginning on page 34 of this Draft Red Herring Prospectus before taking an investment decision in the Offer. Details of our top 10 risk factors are set forth below:

1. We are exposed to the risk of increase in the price of our raw materials and dependence on suppliers for supply of the raw materials. Further, if we are unable to source quality raw materials required for our business at competitive prices, our business, results of operations and profitability may be adversely affected. The raw material is partially procured through imports which may impact the timeline of production. Also exposing the company to the risk of foreign exchange rate fluctuations.
2. The Company is dependent on few numbers of customers for sales. The loss of any of this large customer may affect our revenues and profitability.
3. Our manufacturing capacity may not correspond precisely to our customers’ demands. An inability to effectively utilize our manufacturing capacities may affect our business, results of operations, cash flows and financial condition.
4. Our business is operating under various laws which require us to obtain approvals from the concerned statutory/regulatory authorities in the ordinary course of business and our inability to obtain, maintain or renew requisite statutory and regulatory permits and approvals for our business operations could materially and adversely affect our business, prospects, results of operations and financial condition.
5. Our existing international operations and our plans to expand into additional overseas markets are subject to various business, economic, political, regulatory and legal risks.
6. Our business depends on our manufacturing facility and the loss of or shutdown of operations of the manufacturing facility on any grounds could adversely affect our business or results of operations. Further, our business involves usage of manpower and any unavailability of our employees or any strikes, work stoppages may have an adverse impact on our cash flows and results of operations.
7. Our Promoter and Directors play key role in our functioning and we heavily rely on their knowledge and experience in operating our business and therefore, it is critical for our business that our Promoter and Directors remain associated with us.
8. We face competition in our business from organized and unorganized players, which may adversely affect our business operation and financial condition.
9. Our Company has entered into Business Transfer Agreement dated June 01, 2009 with M/s. ARC Insulation and Insulators. All the asset and Liabilities are required to be transferred in the name of “M/s. ARC Insulation and Insulators Limited” from “Mr. Manish Bajoria” pursuant to this BTA, but still Property having address Pargana-Magura, Mouza- Samali, J.L No -23, R.S No. 156, R.S. Khatian No- 498, 465 in R. S. Dag No. 87, Bishanpur West Bengal, India is still in the process of transfer.
10. Our business is dependent on technology and any disruption or failure of our technology systems may affect our operations.

## L. SUMMARY OF CONTINGENT LIABILITIES

The following is a summary table of our company’s contingent liabilities as:

(₹ in Lakhs)

Sr. No.	Particulars	Amount
1.	Income Tax demands / Notices before CIT Appeals / TDS	69.14
2.	Bank Guarantees	150.00

For further information, please see “**Financial Information**” beginning on page 216 of this Draft Red Herring Prospectus.

### M. SUMMARY OF RELATED PARTY TRANSACTIONS

Our Company has entered into certain transactions with our related parties including our Promoters, Promoter Group, Directors and their relatives as mentioned below:

(₹ in Lakhs)

Particulars	Name of the Related Party	Relation	For the seven months Period Ended on		For the Financial year ended on					
			31-Oct-24	% of Revenue	31-Mar-24	% of Revenue	31-Mar-23	% of Revenue	31-Mar-22	% of Revenue
Remuneration	Manish Bajoria	Managing Director & CFO	21.00	1.11%	36.00	1.27%	36.00	1.50%	36.00	3.12%
	Neelam Bajoria	Director	14.00	0.74%	24.00	0.84%	24.00	1.00%	24.00	2.08%
Loan Availed	Manish Bajoria	Managing Director & CFO	29.17	1.55%	369.20	12.97%	6.00	0.25%	-	0.00%
	Neelam Bajoria	Director	0.06	0.00%	92.15	3.24%	9.75	0.41%	22.00	1.91%
	Meenu Agarwal	Sister of Neelam Bajoria	45.00	2.38%	9.22	0.32%	-	0.00%	-	0.00%
	Aman Bajoria	Son of Manish and Neelam Bajoria	-	0.00%	12.30	0.43%	-	0.00%	-	0.00%
Loan Repaid	Manish Bajoria	Managing Director & CFO	71.98	3.81%	390.42	13.72%	9.00	0.38%	10.10	0.88%
	Manish Bajoria HUF	Karta, Manish Bajoria	-	0.00%	2.34	0.08%	-	0.00%	-	0.00%
	Neelam Bajoria	Director	0.06	0.00%	102.80	3.61%	23.80	0.99%	22.01	1.91%
	Meenu Agarwal	Sister of Neelam Bajoria	35.00	1.85%	25.50	0.90%	13.00	0.54%	3.00	0.26%
	Aman Bajoria	Son of Manish and Neelam Bajoria	-	0.00%	11.60	0.41%	2.44	0.10%	-	0.00%
Advance Given	Aman Bajoria	Son of Manish and Neelam Bajoria	-	0.00%	-	0.00%	-	0.00%	4.26	0.37%
Salary	Aman Bajoria	Son of Manish and Neelam Bajoria	3.00	0.16%	6.00	0.21%	6.00	0.25%	-	0.00%
	Premlata Bajoria	Mother of Manish Bajoria	-	0.00%	-	0.00%	4.80	0.20%	-	0.00%
			<b>219.28</b>	<b>11.62%</b>	<b>1,081.53</b>	<b>38.01%</b>	<b>134.79</b>	<b>5.62%</b>	<b>121.37</b>	<b>10.52%</b>



For details of the Related Party Transactions as reported in the Restated Financials, please refer "**Financial Statements as restated – Related Party Transactions**" on page no. 215 of this Draft Red Herring Prospectus.

## N. FINANCING ARRANGEMENTS

There are no financing arrangements whereby our Promoters, members of Promoter Group, the Director of our Company and their relatives have financed the purchase by any other person of securities of our Company other than in the normal course of the business of the financing entity during the period of 6 months immediately preceding the date of filing of this Draft Red Herring Prospectus.

## O. WEIGHTED AVERAGE PRICE OF THE EQUITY SHARES ACQUIRED BY OUR PROMOTERS AND SELLING SHAREHOLDERS IN THE LAST ONE YEAR PRECEDING THE DATE OF THIS DRAFT RED HERRING PROSPECTUS

The weighted average price of Equity Shares acquired by our Promoters in the last one year preceding the date of this Draft Red Herring Prospectus is as below:

Name of the Promoters and Selling Shareholders	Number of Equity Shares of face value ₹ 10.00 each acquired in last one year <sup>^</sup>	Weighted average price of acquisition per Equity Share (in ₹) <sup>^*</sup>
Mr. Manish Bajoria (Promoter and Selling Shareholder)	27,71,260	Nil
M/s. Swabhumis Distributors Private Limited	12,75,000	Nil
Ms. Neelam Bajoria	11,27,000	Nil
M/s. Manish Bajoria HUF	105,000	Nil
Mr. Ashish Bajoria <sup>**</sup>	400	Nil

<sup>^</sup>As certified by M/s. Jay Gupta & Associates, Chartered Accountants, pursuant to their certificate dated January 07, 2025.

<sup>\*</sup>For arriving at the weighted average price at which the specified securities of the Company were acquired by the Promoters in the last one year, only acquisition of specified securities has been considered while arriving at the weighted average price per specified security for last one year.

<sup>\*\*</sup>Including 100 equity shares transferred by way of gift dated March 11, 2024.

## P. AVERAGE COST OF ACQUISITION OF PROMOTERS AND THE SELLING SHAREHOLDER

The average cost of acquisition per Equity Share to our Promoters and the Selling Shareholder as at the date of this Draft Red Herring Prospectus is:

Name of the Promoters and Selling Shareholder	Number of Equity Shares held of face value ₹ 10 each <sup>^</sup>	Percentage of shareholding (%)	Average cost of acquisition per Equity Share (₹) <sup>^*</sup>
Mr. Manish Bajoria (Promoter and Selling Shareholder)	3,695,280	50.95	3.39
M/s. Swabhumis Distributors Private Limited	1,700,000	23.44	1.68
Ms. Neelam Bajoria	1,236,000	17.04	1.54
M/s. Manish Bajoria HUF	140,000	2.50	2.50
Mr. Ashish Bajoria	400	0.01	Nil

<sup>^</sup>As certified by M/s. Jay Gupta & Associates, Chartered Accountants, pursuant to their certificate dated January 07, 2025.

<sup>\*</sup>The average cost of acquisition of Equity Shares by our Promoters and the selling shareholder have been calculated by taking into account the amount paid by them to acquire and Shares allotted to them as reduced by amount received on sell of shares i.e., net of sale consideration is divided by net quantity of shares acquired.

## Q. PRE-IPO PLACEMENT DETAILS

Our Company has not proposed any Pre-IPO Placement in this Issue.

## R. ISSUE OF EQUITY SHARES FOR CONSIDERATION OTHER THAN CASH IN THE LAST ONE YEAR

Other than as disclosed in "**Capital Structure**" on page 78 of this Draft Red Herring Prospectus, no Equity Shares have been issued by our Company for consideration other than cash as on the date of this Draft Red Herring Prospectus.

## S. SPLIT / CONSOLIDATION OF EQUITY SHARES IN THE LAST ONE YEAR

Other than as disclosed in “*Capital Structure*” on page 78 of this Draft Red Herring Prospectus, our Company has not undertaken a split or consolidation of the Equity Shares in the one year preceding the date of this Draft Red Herring Prospectus.

**T. EXEMPTION FROM COMPLYING WITH ANY PROVISIONS OF SECURITIES LAWS, IF ANY, GRANTED BY SEBI**

Our Company has not applied or received any exemption from complying with any provisions of Securities Law by SEBI.

## SECTION III: RISK FACTORS

***An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of this Offer including the merits and risks involved. Any potential investor in, and subscriber of, the Equity Shares should also pay attention to the fact that we are governed in India by a legal and regulatory environment in which some material respects may be different from that which prevails in other countries. The risks and uncertainties described in this section are not the only risks and uncertainties we currently face. Additional risks and uncertainties not known to us or that we currently deem immaterial may also have an adverse effect on our business. If any of the following risks, or other risks that are not currently known or are now deemed immaterial, occur, our business, results of operations and financial condition could suffer, the price of our Equity Shares could decline, and you may lose all or part of your investment. Additionally, our business operations could also be affected by additional factors that are not presently known to us or that we currently consider as immaterial to our operations.***

Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein. Unless otherwise stated, the financial information of our Company used in this section is derived from our restated financial statements prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI ICDR Regulations. To obtain a better understanding, you should read this section in conjunction with the chapters titled “***Our Business***” beginning on page 138, “***Our Industry***” beginning on page 120 and “***Management’s Discussion and Analysis of Financial Condition and Results of Operations***” beginning on page 217 respectively, of this Draft Red Herring Prospectus as well as other financial information contained herein.

The following factors have been considered for determining the materiality of Risk Factors:

1. Some events may not be material individually but may be found material collectively;
2. Some events may have material impact qualitatively instead of quantitatively;
3. Some events may not be material at present but may have material impact in future.

The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are risk factors where the impact may not be quantifiable and hence the same has not been disclosed in such risk factors. Unless otherwise stated, the financial information of the Company used in this section is derived from our financial statements under Indian GAAP, as restated in this Draft Red Herring Prospectus. Unless otherwise stated, we are not in a position to specify or quantify the financial or other risks mentioned herein. For capitalized terms used but not defined in this chapter, refer to the chapter titled “***Definitions and Abbreviations***” beginning on page 4 of this Draft Red Herring Prospectus. The numbering of the risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another.

The risk factors are classified as Internal and External for clarity and better understanding.

### **INTERNAL RISKS**

#### **A. BUSINESS RELATED RISKS**

1. ***We are exposed to the risk of increase in the price of our raw materials and dependence on suppliers for supply of the raw materials. Further, if we are unable to source quality raw materials required for our business at competitive prices, our business, results of operations and profitability may be adversely affected. The raw material is partially procured through imports which may impact the timeline of production. Also exposing the company to the risk of foreign exchange rate fluctuations.***

The primary raw materials used by our Company for manufacturing our products are Fiber, Polyester Resin, Woven Roving, Pigments, Standard Chopped Mat, Milo Film, Glass Woven Roving, Fabric Catalysts, and Fiber Glass Cloth etc. In past, the prices of these products have fluctuated with the change in their global supply and demand, which has impacted our cost of procurement of these raw materials. In the event that the price of our raw materials further increases, we may not be able to pass the price increase to our customers on our existing fixed contracts and our business, financial condition and results of operations may be adversely affected. Further, we are significantly dependent on our key suppliers and sub-contractors to provide us with critical components and raw materials, parts and assemblies that we need to manufacture our products. Our business is affected by the price, quality, availability and the timely delivery of the component parts that we use to manufacture our products. Our business, therefore, could be adversely impacted by factors affecting our suppliers, by increased costs of such components or Government regulation of supplier’s country. It may be difficult for us to find a replacement for certain suppliers without significant delay, thereby impacting our ability to complete our

customer obligations in a satisfactory and timely manner. Further we are exposed to the price volatility of some critical imported raw materials such as Roving, Resin and Fiber Cloth from a number of countries. In view of the fluctuation in the value of the Rupee against the foreign currencies in which we pay for such imports, we face a degree of foreign exchange risk. We do not hedge against currency rate fluctuations in respect of our purchase contracts, given the duration of our purchase contracts. This exposes us to exchange rate movements which may have a material effect on our operating results in a given period. Thus, we cannot assure that we will not suffer any loss because of the fluctuation of the value of the Rupee, which may have a material adverse effect on our cash flows, revenue and financial condition.

Our top ten suppliers contribute 93.88, 76.36%, 86.39%, and 95.17% of our total purchase for the seven months period ended on October 31, 2024 and for the financial year ended on March 31, 2024, March 31, 2023, March 31, 2022 respectively based on restated financial statement. The details of this concentration are provided in the following table:

(₹ in Lakhs)

Particulars*	For the period and Financial Year ended							
	October 31, 2024		March 31, 2024		March 31, 2023		March 31, 2022	
	Purchase	In %	Purchase	In %	Purchase	In %	Purchase	In %
Supplier 1	362.28	40.04	270.97	18.95	399.15	27.50	298.68	38.63
Supplier 2	136.30	15.06	155.17	10.85	207.59	14.30	163.24	21.12
Supplier 3	84.92	9.38	142.50	9.96	131.80	9.08	110.69	14.32
Supplier 4	64.32	7.11	87.38	6.11	121.73	8.39	53.90	6.97
Supplier 5	61.14	6.75	82.18	5.75	105.82	7.29	41.84	5.41
Supplier 6	48.58	5.37	81.98	5.73	84.86	5.85	23.53	3.04
Supplier 7	32.57	3.60	81.22	5.68	61.20	4.22	19.03	2.46
Supplier 8	27.15	3.00	71.32	4.99	61.12	4.21	11.68	1.51
Supplier 9	16.19	1.79	63.33	4.43	45.12	3.11	7.09	0.92
Supplier 10	16.16	1.79	56.07	3.92	35.41	2.44	6.07	0.78
<b>Total</b>	<b>849.55</b>	<b>93.88</b>	<b>1092.12</b>	<b>76.36</b>	<b>1253.81</b>	<b>86.39</b>	<b>735.76</b>	<b>95.17</b>

\*Note: Names of our top 10 suppliers have not been disclosed due to lack of receipt of consent and confidentiality reasons

**2. The Company is dependent on few numbers of customers for sales. The loss of any of this large customer may affect our revenues and profitability.**

Our top ten customers contribute 75.87 %, 62.82 %, 74.38 %, and 61.28 % of our total revenue from operations for the seven months period and financial year ended on October 31, 2024, March 31, 2024, 2023 and 2022, respectively. The details of this concentration are provided in the following table:

(₹ in Lakhs)

Particulars*	For the period and Financial Year ended							
	October 31, 2024		March 31, 2024		March 31, 2023		March 31, 2022	
	Revenue	In %	Revenue	In %	Revenue	In %	Revenue	In %
Customer 1	399.76	21.28	438.69	15.52	333.64	13.91	141.95	12.30
Customer 2	166.50	8.86	214.45	7.59	307.51	12.82	123.97	10.74
Customer 3	151.70	8.08	202.21	7.16	231.83	9.67	81.39	7.05
Customer 4	147.70	7.86	194.18	6.87	195.00	8.13	74.05	6.42
Customer 5	111.93	5.96	168.90	5.98	159.86	6.67	62.00	5.37
Customer 6	104.10	5.54	153.48	5.43	156.74	6.54	59.03	5.12
Customer 7	93.04	4.95	109.51	3.88	147.88	6.17	53.39	4.63
Customer 8	84.77	4.51	103.85	3.68	108.34	4.52	45.78	3.97
Customer 9	83.87	4.47	97.14	3.44	72.11	3.01	33.97	2.94
Customer 10	81.62	4.35	92.86	3.29	70.94	2.96	31.76	2.75
<b>Total</b>	<b>1424.99</b>	<b>75.87</b>	<b>1775.26</b>	<b>62.82</b>	<b>1783.85</b>	<b>74.38</b>	<b>707.29</b>	<b>61.28</b>

\*Note: Names of our top 10 Customers have not been disclosed due to lack of receipt of consent and confidentiality reasons

Our business operations are highly dependent on our customers and the loss of any of our customers may adversely affect our sales and consequently on our business and results of operations. The loss of one or more of these significant or key customers or a reduction in the amount of business we obtain from them could have an adverse effect on our business, results of operations, financial condition and cash flows. We cannot assure you that we will be able to maintain historic levels of business and/or negotiate and execute long term contracts on terms that are commercially viable with our

significant customers or that we will be able to significantly reduce customer concentration in the future. Any decline in our quality standards, growing competition and any change in the demand, may adversely affect our ability to retain them. We cannot assure that we shall generate the same quantum of business, or any business at all, and the loss of business from one or more of them may adversely affect our revenues and results of operations.

**3. Our manufacturing capacity may not correspond precisely to our customers' demands. An inability to effectively utilize our manufacturing capacities may affect our business, results of operations, cash flows and financial condition.**

We believe that our industry knowledge, expertise, and production capabilities position us well to meet our customers' demands, and our manufacturing capacity allows us to expand our potential customer base. However, some customers may require us to maintain a certain percentage of excess capacity to accommodate unexpected increases in supply orders. The volume and timing of sales to our customers can vary due to several factors, including manufacturing strategies, growth plans, and macroeconomic conditions that affect the overall economy and our customers specifically.

If we are unable to procure sufficient raw materials, our current manufacturing capacities may not be fully utilized, leading to operational inefficiencies that could materially impact our business and financial condition. Additionally, if customers place orders below anticipated volumes, cancel existing orders, or change policies in ways that reduce the quantities we supply, our manufacturing capacities could be underutilized.

The following table sets forth annual installed production capacity and annual utilized capacity in respect of different products is tabulated as below:

Product Name <sup>^</sup>	Installed Capacity (In Tons)	Installed Actual Capacity Utilization Year wise							
		March 25 (Annualised)	Utilised %	March 24	Utilised %	March 23	Utilised %	March 22	Utilised %
FRP Rebars	1320	1029.6	78%	844.8	64%	752.4	57%	369.6	28%
FRP Grating	57.93	48.00	80%	40.55	70%	34.76	60%	24.33	42%
FRP Pultrusion	507.23	515.32	86%	390.56	77%	355.06	70%	228.25	45%
FRP Pipe	93.29	69.75	75%	66.96	72%	74.63	80%	49.44	53%

\*Chartered Mechanical Engineer capacity utilization certificate dated January 06, 2025 by Ankit Gupta.

<sup>^</sup>All FRP products mentioned in the table includes GFRP Products also.

We make significant decisions regarding business levels, production schedules, personnel needs, and other resources based on internal estimates and targets, always striving to optimize our production capacity. To achieve optimal utilization, we aim to maintain a tied-up order book for at least six months. While we have generally maintained optimum capacity levels in the past, there is no guarantee that this will continue.

There is also no assurance that our marketing team will successfully persuade existing and potential customers to purchase our products promptly or at all due to reasons such as (i) order cancellations, (ii) customers' financial constraints, (iii) more efficient manufacturing and delivery by competitors, or (iv) our inability to deliver products meeting specific specifications. Occasionally, customers may demand rapid increases in order quantities that exceed our available capacity, and we may not always be able to meet these sharp increases.

Although we strive to achieve and maintain optimal capacity levels, challenges in forecasting customer demand, scheduling raw material purchases, managing production, and controlling inventory could prevent us from consistently achieving these levels. Any resulting underutilization of our manufacturing facilities could negatively impact our business, operational results, cash flows, and financial condition.

**4. Our business is operating under various laws which require us to obtain approvals from the concerned statutory/regulatory authorities in the ordinary course of business and our inability to obtain, maintain or renew requisite statutory and regulatory permits and approvals for our business operations could materially and adversely affect our business, prospects, results of operations and financial condition.**

Our business requires us to obtain and renew from time-to-time certain approvals, licenses, registrations and permits, some of which have expired and for which we have either made or are in the process of making an application for obtaining the approval or its renewal. In particular, our Company has applied for registration of NOC from Fire Department for our factory, NOC from Hero Fincorp Limited as a Secured Lender for bringing out the IPO (Refer Risk Factor No. 13) and trademarks for our logo (Refer Risk Factor no. 27). Further, these approvals, licenses, registrations and permissions under various regulations, guidelines, circulars and statutes regulated by various authorities for operating our business activities may contain conditions, some of which could be onerous. There can be no assurance that the relevant authorities will

issue these approvals or licenses in a timely manner, or at all. In the event of any unanticipated delay in receipt of such approvals, it will have an adverse impact on our business operations.

Failure by us to renew, maintain or obtain the required permits or approvals at the requisite time may result in the interruption of our operations and may have an adverse effect on our business, financial condition and results of operations. Further, we cannot assure that the approvals, licenses, registrations and permits issued to us would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. Any failure to renew the approvals that have expired or apply for and obtain the required approvals, licenses, registrations or permits, or any suspension or revocation of any of the approvals, licenses, registrations and permits that have been or may be issued to us, may impede our operations. For further details, see “**Government and Other Approvals**” on page 238 of this Draft Red Herring Prospectus. In the event that we are unable to obtain such approvals in a timely manner or at all, our business operations may be adversely affected. We may be involved in any environmental legal proceedings in the course of our business due to non-compliances with terms and conditions of regulatory approvals or authorizations.

**5. Our existing international operations and our plans to expand into additional overseas markets are subject to various business, economic, political, regulatory and legal risks.**

We supply our products to international markets, including the Saudi Arabia, China, Kuwait, Thailand, Philippines UAE, Kenya, etc. the revenue details of which have been mentioned in the table below:

Period	Export Revenue (₹ in Lakhs)	Percentage of Total Revenue
Seven months period ended October 31, 2024	25.38	1.34%
Financial Year ended March 31, 2024	43.49	1.53%
Financial Year ended March 31, 2023	119.81	5.00%
Financial Year ended March 31, 2022	117.19	10.15%

Foreign Market fluctuations are not a regular occurrence, there is no guarantee that similar downturns will not happen in the future. Any future fluctuations could adversely affect our profitability, operational results, and financial condition. We do not have our own network of distributors and retailers in these markets and rely on third-party for distribution. If these third parties fail to adequately support and distribute our products, our ability to expand operations in these regions could be negatively impacted.

We intend to continue expanding our presence in international markets by targeting specific countries worldwide. The markets we currently operate in, and those we plan to enter, are diverse and fragmented, featuring varying degrees of economic and infrastructure development, as well as distinct legal and regulatory frameworks. These markets do not function seamlessly across borders as a unified or common market. Managing our growing business across these international markets may demand significant management focus and financial resources. Our multinational operations are exposed to inherent risks, including, but not limited to:

- Entry barriers and challenges in establishing brand recognition.
- Uncertainties in collaborating with new local business partners, including distributors, logistics, and transportation partners.
- Difficulty adapting to consumer preferences and local trends in new regions.
- Risk of expropriation or other government actions in new regions.
- Increased costs associated with raw materials and marketing our products in new regions.
- Start-up expenses for establishing offices, infrastructure, and services in new regions.
- Longer accounts receivable collection periods and greater challenges in collection due to reduced bargaining power in unfamiliar markets.
- Potential foreign exchange and repatriation controls on earnings, exchange rate fluctuations, and currency conversion restrictions.
- The burden of complying with various foreign laws, including delays or difficulties in obtaining government approvals and permits, import and export licenses, and unexpected changes in the legal and regulatory environment.
- Increased distribution and transportation costs.
- Uncertainty regarding product liability.
- Actions that may be taken by foreign governments under applicable trade or other restrictions.
- Difficulties and costs associated with staffing and managing multiple multinational operations.
- Reduced protection for intellectual property rights in some jurisdictions, at reasonable costs or at all.
- Potentially adverse tax consequences, including those related to intercompany pricing for transactions between entities in different tax jurisdictions.
- Credit risk and higher levels of payment fraud.

- Inability to obtain adequate insurance.
- Challenges related to distance, language, and cultural differences, and in establishing business relationships with foreign partners and agencies.
- Political and economic instability, including the risk of political unrest, war, or acts of terrorism in the countries where we operate.

We may face challenges in developing and implementing policies and strategies that effectively manage the risks in each country where we currently do business or plan to expand. If we fail to manage these risks successfully, it could negatively impact our business, operating results, and financial condition. Additionally, we may encounter competition in other countries from companies with more experience in those regions or with international operations in general. If we cannot offer competitive products at attractive price points that resonate with consumers in these markets, we may struggle to compete.

Furthermore, if we are unable to establish a strong brand reputation in international markets, our ability to grow our business may be limited. Expanding into new regions and markets may also expose us to significant liabilities, and there is a risk that we could lose some or all of our investment in these areas. Consequently, this could adversely affect our business, financial condition, and operational results.

***6. Our business depends on our manufacturing facility and the loss of or shutdown of operations of the manufacturing facility on any grounds could adversely affect our business or results of operations. Further, our business involves usage of manpower and any unavailability of our employees or any strikes, work stoppages may have an adverse impact on our cash flows and results of operations.***

Our manufacturing facility is exposed to various operational risks, including equipment breakdowns, power supply interruptions, raw material shortages, performance issues, and natural disasters. Other risks include technological obsolescence, labour disputes such as strikes and lockouts, severe weather events, industrial accidents, and the need to adhere to evolving industry standards and government directives. Although the above-mentioned loss or shutdown of operations have not occurred in past but may occur in future which could significantly impact our operational performance, affect our business, financial condition, and overall results.

Additionally, our operations rely heavily on manpower, and we are dependent on the availability and productivity of our employees. Any shortages of employees or work stoppages could adversely affect our cash flows and operational outcomes. We may also face challenges in securing sufficient staff to meet order demands promptly.

We are subject to various laws and regulations related to employee welfare, including minimum wage, working conditions, insurance, and other benefits. Changes in these regulations could impact our operations. Furthermore, disruptions such as strikes, work stoppages, or disputes could negatively affect our business, cash flows, and operational results.

For further details kindly refer to chapter titled ***“Business Overview”*** beginning on pages 138, of this Draft Red Herring Prospectus.

***7. Our Promoter and Directors play key role in our functioning and we heavily rely on their knowledge and experience in operating our business and therefore, it is critical for our business that our Promoter and Directors remain associated with us.***

Our success is significantly influenced by the expertise and services of our key managerial personnel. The ability to attract and retain such individuals is crucial to our operations. We benefit from the longstanding involvement of our Promoter and Directors, who have played a pivotal role in the growth and strategic direction of our business. Since the inception of the Company, our Promoter and Directors have been actively engaged in day-to-day operations and management. Consequently, our performance is heavily reliant on their continued involvement. If our Promoter and Directors were to become unable or unwilling to continue in their roles, it may be challenging or even impossible to find suitable replacements. We also depend on the ongoing contributions of our key executives and senior management for the effective operation and growth of the Company. The loss of any key managerial personnel could lead to difficulties in finding qualified replacements and may result in additional costs related to recruitment and training, which could adversely impact our business operations and expansion efforts.

Furthermore, we do not have key person insurance to mitigate the risk associated with the loss of crucial personnel. Over the years, our Promoter and key managerial personnel have established important relationships with manufacturers, customers, and other stakeholders. The loss of their services could hinder our ability to execute our business strategy, potentially leading to material adverse effects on our business, financial condition, results of operations, and future prospects.

**8. *We face competition in our business from organized and unorganized players, which may adversely affect our business operation and financial condition.***

We may have to confront pressures in respect of pricing; product quality etc. from the clients and such pressures may put strain on our profit margins which may consequently affect the financial position of our Company. Competition emerges not only from the organized sector but also from the unorganized sector and from both small and big players. We are also in direct competition with the leading units in India as well as the local units. Our Competitiveness is also measured by the technology we adopt as the industry is rapidly growing in India and in International Markets. Some of our clients might export their final products which in turn compel us to meet international standards also. Our inability to compete with this intense competition; local, national and international will have material adverse impact on our Company's financial position

**9. *Our Company has entered into Business Transfer Agreement dated June 01, 2009 with M/s. ARC Insulation and Insulators. All the asset and Liabilities are required to be transferred in the name of "M/s. ARC Insulation and Insulators Limited" from "Mr. Manish Bajoria" pursuant to this BTA, but still Property having address Pargana- Magura, Mouza- Samali, J.L No -23, R.S No. 156, R.S. Khatian No- 498, 465 in R. S. Dag No. 87, Bishanpur West Bengal, India is still in the process of transfer.***

Our company has entered into Business Transfer Agreement dated June 01, 2009 with M/s. ARC Insulation and Insulators. All the asset and Liabilities are required to be transferred in the name of "M/s. ARC Insulation and Insulators Private Limited now M/s. ARC Insulation and Insulators Limited" from "M/s. ARC Insulation and Insulators" pursuant to this BTA, but still Property having address Pargana- Magura, Mouza- Samali, J.L No -23, R.S No. 156, R.S. Khatian No- 498, 465 in R. S. Dag No. 87, Bishanpur West Bengal, India is still in the process of transfer. Our company has this premises as a vacant agricultural land. Company shall be taking necessary steps for transferring the property in name of our Company. Any failure could result in delaying the operations of our business, which may adversely affect our business, financial condition, results of operations and prospects.

**10. *Our business is dependent on technology and any disruption or failure of our technology systems may affect our operations.***

We believe that our technological capabilities play a key role in helping us effectively manage our pan-India operations, maintain operational and fiscal controls, and support our efforts to enhance client service levels. Our business is significantly dependent on the efficient and uninterrupted operation of our technology infrastructure and systems. For further details, see "**Our Business**" on page 138.

Our operations are vulnerable to interruption by events beyond our control such as fire, earthquake, power loss, telecommunications or internet failures, terrorist attacks and computer viruses. We are also subject to hacking or other attacks on our IT systems, and we cannot assure you that we will be able to successfully block or prevent all such attacks. Any breaches of our IT systems may require us to incur further expenditure on repairs or more advanced security systems. A significant system failure could adversely affect our ability to manage overall operations, thereby affecting our ability to deliver our services to our clients, affecting our reputation and revenues. We may also be exposed to multiple claims for failed delivery of goods. If such interruption is prolonged, our business, operations, financial condition and results of operations may be materially and adversely affected.

We expect our clients to continue to demand more sophisticated and customized solutions. We may lose clients and our business could be affected if we fail to implement and maintain our technology systems or fail to upgrade or replace our technology systems to handle increased volumes, meet the demands of our clients and protect against disruptions of our operations. Our operating efficiency may decline, and our growth may suffer if our technology systems are unable to handle additional volume of our operations as we grow. Some of our existing technologies and processes in the business may become obsolete or perform less efficiently compared to newer and better technologies and processes in the future. Certain of our competitors may have access to similar or superior technology or may have better adapted themselves to technological changes. The cost of upgrading or implementing new technologies, upgrading our equipment or expanding their capacity could be significant and could adversely affect our business, operations, financial condition and results of operations.

**11. *We have certain outstanding litigation against our Company, an adverse outcome of which may adversely affect our business, reputation and results of operations.***

A summary of outstanding matters set out below includes details of civil proceedings, tax proceedings, statutory and regulatory actions and other material pending litigation involving us, Directors and Promoters, as at the date of this Draft Red Herring Prospectus.



Name of Entity	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by SEBI or Stock Exchanges against our Promoters	Material civil litigations	Aggregate amount involved (in ₹ lakhs)
<b>Company</b>						
By our Company	Nil	Nil	Nil	Nil	Nil	Nil
Against our Company	Nil	19	Nil	Nil	Nil	69.14
<b>Directors</b>						
By the Directors	1*	Nil	Nil	Nil	1*	7.57
Against the Directors	Nil	Nil	Nil	Nil	Nil	Nil
<b>Promoters</b>						
By the Promoters	1*	Nil	Nil	Nil	1*	7.57
Against the Promoters	Nil	4	Nil	Nil	Nil	1.90

\*Note – Both cases pertain to the same matter and hence the aggregate amount has been taken only for one case – 7.57 (₹ In Lakhs) or ₹ 7,56,490 in full figures

The amounts claimed in these proceedings have been disclosed to the extent. If any new developments arise, such as a change in Indian law or rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements that could increase our expenses and current liabilities.

We cannot assure you that any of the outstanding litigation matters will be settled in our favour or that no additional liabilities will arise out of these proceedings. In addition to the above, we could also be adversely affected by complaints, claims or legal actions brought by persons, including before consumer forums or sector-specific or other regulatory authorities in the ordinary course of business or otherwise, in relation to our business operations, our intellectual property, our branding or marketing efforts or campaigns or our policies. We may also be subject to legal action by our employees and/or former employees in relation to alleged grievances, such as termination of employment. We cannot assure you that such complaints, claims or requests for information will not result in investigations, enquiries or legal actions by any regulatory authority or third persons against us.

For further details of litigation proceedings, please refer the chapter titled “**Outstanding Litigations and Material Developments**” on page 234 of this Draft Red Herring Prospectus.

**12. There are certain discrepancies / errors noticed in some of our corporate records relating to forms filed with the Registrar of Companies and other provisions of Companies Act, 2013. Any penalty or action taken by any regulatory authorities in future for non-compliance with provisions of corporate and other law could impact the financial position of the Company to that extent.**

We monitor compliances with applicable laws and regulations by implementing stringent internal checks and controls. Although we have generally been in compliance with applicable laws, there have been certain instances of discrepancies/errors in statutory filings. Although no regulatory action has been taken against us with respect to the aforesaid non-compliances/errors, there can be no assurance that regulatory action shall not be taken by the relevant authorities against us in the future. In an event such an action is taken, we may be subject to penalties and other consequences that may adversely impact our business, reputation, and results of operation and there can be no assurance that we shall be able to successfully defend any action/allegation raised by such regulatory authorities. Our team meticulously follows a detailed compliance calendar providing for compliances under various applicable laws, including but not limited to the Companies Act. As we continue to grow, there can be no assurance that deficiencies in our internal controls shall not arise, or that we shall be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in our internal controls, in a timely manner or at all. There may be recurrences of similar discrepancies/errors in the future that could subject our Company to penal consequences under applicable laws. Any such action could adversely impact our business, reputation, and results of operation. The details of non-compliances or delayed filings is given as follows:

- The Company did not comply with the provisions of SS-1 and SS-2 of the Companies Act, 2013 when preparing the documents for form filing. However, after identifying this non-compliance, the Company is now adhering to these regulations.
- The MGT-14 filed for the conversion of the company contains an incorrect attachment of the Articles of Association (AoA).
- There was a delay in filling of Various Forms by the company for various Financial Years. However, the Company has filed the form by paying the requisite additional fees as per the Companies Act, 1956/2013. The details of the delayed forms are mentioned below:
  - Form 23AC/ACA for financial years 2009, 2010, 2011, 2012, 2013 and 2014 had been delayed.
  - Form 20B for financial years 2009, 2010, 2011 and 2012 had been delayed.
  - Form 5 dated November 03, 2009, and December 05, 2011, had been delayed.
  - Form 2 dated June 01, 2009, June 30, 2009, March 15, 2010, December 11, 2011, and March 31, 2012, had been delayed.
  - There was a delay in filing E-Form MGT-14 pursuant to Section 179 of the Companies Act, 2013 for the resolutions passed by the Company. However, the Company has since filed the form, paying the required additional fees as per the Companies Act, 2013.
  - Form 66 for the financial years 2010, 2011, 2012, 2013 and 2014 had been delayed.
  - Form DPT-3 for the financial years 2019, 2020, 2021, 2022, 2023 and 2024 had been delayed.
  - Form ADT-1 for the year 2014 and 2024 had been delayed
  - Form AOC-4 and Form MGT-7 for the financial years 2022, 2023 and 2024 had been delayed.
- In some of the forms filed, there were irregularities in the data entered, missing documents in the attachments, and instances of unsigned or unstamped documents. We acknowledge these oversights and are taking steps to ensure that all future submissions are accurate, complete, and properly authenticated.

Our company has missed to comply with certain statutory provisions in the past including but not limited to the details as mentioned in this risk factor. There are few discrepancies noticed in some of our corporate records relating to adhering with the provisions of SS-1 and SS-2 of the Companies Act, 2013 which inter alia includes non-stamped and unsigned documents attached in the forms, time of conclusion of the meeting not included in the certified true copy of resolution, date of the Board Meeting mentioned in the resolution was incorrect. Other errors in the forms, such as wrong date of meeting, requisite attachments were not attached, late filing of forms, etc. However, as there was no error on the MCA master data hence no major action were taken for the same. Some forms were filed after the due date of the respective forms. Supporting documents attached in some of the Forms are not signed and stamped by the requisite authority. Though the Company is ensuring to comply with all the shortcomings, however any penalty or action taken by any regulatory authority in future for non-compliance with provisions of corporate and other law could impact financial position of the company to that extent. Although no notices have been issued upon our Company yet but there may be instances where by notices may be issued to our company and fines or penalties may also be imposed upon our Company, which may adversely affect our administration from compliance perspective. There can be no assurance that no penal action will be taken against us by the regulatory authorities with respect to the non-compliances. If any adverse actions are taken against us, our financial results could be affected. Additionally, we have strengthened our internal compliance system by introducing the 'Maker Checker' System and have undertaken steps to update the internal database with latest circulars and amendments to ensure future compliance. In the event the Company fails to submit the requisite disclosures to the regulators in the future, then the Company may be penalised by the regulators and the same may affect our results of operations.

Further, Following are the Measures which have been taken to correct such non-compliances:

1. We have appointed in house company secretary for the secretarial compliances.
2. We have developed a detailed calendar with deadlines for each form and key milestones to ensure timely submission.
3. We have prepared checklists to ensure that all necessary forms are filed before deadline and Senior executives are regularly monitoring the timely compliance.

We shall attempt to comply in spirit and in law with all the laws applicable to the issuer company.

### ***13. Delay in Issuance of No-Objection Certificate by Hero Fincorp Limited, a Secured Lender.***

Hero Fincorp Limited ("Hero Fincorp"), a Non-Banking Financial Company (NBFC) and a secured lender to our Company, has been requested to issue a No-Objection Certificate (NOC) to facilitate the filing of this Draft Red Herring Prospectus (DRHP) and the completion of the proposed Initial Public Offering (IPO). While we have made requisite applications and are actively engaging with Hero Fincorp to expedite the issuance of the NOC, it has not been received as on the date of this DRHP.

In the event of non-issuance of the NOC, the NBFC may recall the credit facilities availed by the Company and it may impact the financial liquidity and business operations.

**14. *We face competition, including from other large and established competitors, and we may fail to compete successfully against existing or new competitors, which may reduce the demand for our Products which may lead to reduced prices, operating margins, profits and further result in loss of market share.***

We are encountering increasing competition from both current and potential rivals in India and international markets. These competitors may possess significantly greater brand recognition, longer operational histories, superior financial resources, advanced product development capabilities, more robust sales and marketing strategies, experienced management teams, and access to lower-cost capital and other resources. Some may benefit from lower costs or offer a wider range of products at reduced prices to capture market share. Additionally, competitors might form strategic alliances or acquire other companies, including our dealers and distributors, enhancing their ability to meet customer needs and offer lower-cost alternatives, potentially impacting our sales negatively. New competitors could also emerge at any time. Our rivals might respond more swiftly to new technologies or customer demands and bring existing customer loyalties that could erode our market share.

Our industry competition revolves around various factors such as pricing, marketing, delivery times, and payment terms. To stay competitive, we need to continually invest in capital expenditures, research and development, sales, marketing, and customer support. There is no guarantee that we will have the necessary resources for these investments or the ability to achieve the technological advancements required to remain competitive. Failure to compete effectively, including delays in adapting to industry and market changes, might necessitate additional expenses for marketing campaigns, market research, and investment in new technologies and infrastructure. Increased competition could lead to a slowdown in corporate account growth, loss of market share, price reductions, and decreased demand for our products, lower revenue, and diminished profitability.

Moreover, if our competitors consolidate and leverage their financial strength to secure favorable financing terms, they may undertake aggressive actions such as further acquisitions, enhanced product development, and capacity expansion, potentially displacing demand for our products. In a fragmented market, any trend toward consolidation could place us at a competitive disadvantage, materially and adversely affecting our business, operational results, financial condition, and future prospects.

**15. *The Restated Financial Statements have been provided by Peer Reviewed Chartered Accountants who is not Statutory Auditor of our Company.***

The Restated Financial Statements of our Company for the seven months period ended October 31, 2024 and for the financial years ended March 31, 2024, March 31, 2023, and March 31, 2022, have been provided by M/s. Jay Gupta and Associates, (previously known as Gupta Agarwal & Associates), Chartered Accountants, who are Peer Reviewed firm but not the Statutory Auditors of our Company. The Financial Statements of our Company for the seven months period ended October 31, 2024 and for the financial years ended March 31, 2024, March 31, 2023, and March 31, 2022, have been audited by M/s. Vineet Kedia & Co., Chartered Accountants, who are the Statutory Auditors of our Company.

**16. *Unable to trace the bank statement of the company for the allotment made in past.***

The absence of a bank statement for the shareholders including promoters poses several significant risk factors for the business. It raises concerns about the financial transparency and credibility, which may undermine confidence among investors, creditors, and stakeholders. Below are the transactions for which we are unable to trace the bank statement of the shareholders and of the company as mentioned below:

- Allotment made on June 30, 2009, to Yugberry Marketing Private Limited and Facit Sales Private Limited for 1,00,000 and 75,000 respectively for which we are unable to trace the bank statement of the company and the shareholders.
- Allotment made on December 31, 2011, and March 31, 2012, to Mr. Manish Bajoria for which we are unable to trace the bank statement of Mr. Manish Bajoria and of the company. We have taken the Management Representation letter from the company regarding the receipt of amount from Mr. Manish Bajoria.
- Allotment made on March 31, 2012, to Ms. Neelam Bajoria for which we are unable to trace the bank statement of Ms. Neelam Bajoria and of the company. We have taken the Management Representation letter from the company regarding the receipt of amount from Ms. Neelam Bajoria.

Furthermore, the absence of bank records may make it more difficult for the business to find investors or obtain funding. Before investing money, lenders and investors usually need a clear picture of the promoter's financial stability in order to gauge risk levels. In the absence of such paperwork, the company would find it difficult to gain the trust of possible investors, which could restrict access to funding or raise borrowing prices. Regulatory or compliance concerns may also

result from this lack of documentation, particularly if the company is asked to produce thorough financial records for reporting or auditing purposes.

**17. The Company is yet to place orders for 100% of the plant & machineries for our proposed object, as specified in the Objects of the Offer. Any delay in placing orders, procurement of plant & machineries may delay our implementation schedule and may also lead to increase in price of these plant & machineries, further affecting our revenue and profitability.**

Our Company have identified the type of plant and machineries required to be bought from the proceeds of the Initial Public Offer. However, we are yet to place orders for 100% of the Plant & Machinery as detailed in the “**Objects of the Offer**” beginning on page 93 of this Draft Red Herring Prospectus. These are based on our estimates and on third-party quotations, which are subject to a number of variables, including possible cost overruns, changes in management’s views of the desirability of current plans, change in supplier of plant & machineries, equipment among others, which may have an adverse effect on our business and results of operations. Further, we cannot assure that we would be able to procure these plant and machineries, or procure the same within budgeted costs and timelines. Delays in acquisition of the same could result in the cost and time overrun, which would have a material adverse effect on our business, results of operations and financial condition. For further details, please refer to the chapter titled “**Objects of the Offer**” beginning on page 93 of this Draft Red Herring Prospectus.

**18. The objects of the Fresh Issue and deployment of funds are based on management estimates and have not been appraised by any external independent agency.**

There is no assurance that our expansion and existing plans will be successful. We intend to use the Net Proceeds from the Offer for the purposes described in “**Objects of the Offer**” on page 95. These expansion and existing plans will result in additional costs of investment towards purchase of machinery and equipment in fixed assets and new equipment as well as additional working capital requirements. In the event that we fail to achieve a sufficient level of revenue or manage our costs efficiently, our future financial performance may be materially and adversely affected. The objects of the Fresh Issue and deployment of funds have not been appraised by any external agency or any bank or financial institution or any other independent agency and are based on management estimates. While in absence of monitoring agency, Board and audit committee will be monitoring utilization of the Net Proceeds, the proposed utilization of Net Proceeds is based on our current business plan, management estimates, prevailing market conditions and other commercial considerations, which are subject to change and may not be within the control of our management. Based on the competitive nature of our industry, we may have to revise our business plan and/ or management estimates from time to time and consequently our funding requirements may also change. Our internal management estimates may exceed fair market value or the value that would have been determined by third party appraisals, which may require us to reschedule or reallocate our project and capital expenditure and may have an adverse impact on our business, financial condition, results of operations and cash flows. Our Company, subject to applicable laws, will have flexibility to deploy the Net Proceeds. Further, pending utilization of Net Proceeds towards the Objects of the Offer, our Company will have the flexibility to deploy the Net Proceeds and to deposit the Net Proceeds temporarily in deposits with one or more scheduled commercial banks included in Second Schedule of Reserve Bank of India Act, 1934, as may be approved by our Board or Audit Committee. Accordingly, prospective investors in the Offer will need to rely upon our management’s judgment with respect to the use of Net Proceeds.

**19. We have certain contingent liabilities as on date of this Draft Red Herring Prospectus that have not been provided for in our Company’s financials which if materialized, could adversely affect our financial condition.**

The following is a summary table of our company’s contingent liabilities as:

		(in Lakhs)
Sr. No.	Particulars	Amount
1.	Income Tax demands / Notices before CIT Appeals / TDS	69.14
2.	Bank Guarantees	150.00

In the event any such contingencies mentioned above were to materialize or if our contingent liabilities were to increase in the future, our financial condition could be adversely affected. For further information, please see “**Financial Information**” beginning on page 216 of this Draft Red Herring Prospectus.

**20. We have significant power requirements for continuous running of our factories. Any disruption to our operations on account of interruption in power supply or any irregular or significant hike in power tariffs may have an effect on our business, results of operations and financial condition.**

Our factory has significant electricity requirements and any interruption in power supply may disrupt our operations. Our business and financial results may be affected by any disruption of operations. We depend on third parties for all of our power requirements. Further, we have limited options in relation to maintenance of power back-ups such as diesel

generator sets and any increase in diesel prices will increase our operating expenses which may impact our business margins.

Since we have significant power consumption, any unexpected or significant increase in its tariff can increase the operating cost of factories and production cost which we may not be able to pass on to our customers. There are limited number of electricity providers in area from where we operate due to which in case of a price hike we may not be able to find a cost-effective substitute, which may negatively affect our business, financial condition and results of operations.

**21. Counterparty credit risk, delay or non-receipt of payments.**

Our Company's business is working capital intensive and hence, trade receivables form a major part of our current assets. Delays in customer payments can severely disrupt a business's cash flow, making it difficult to cover operational expenses and meet financial obligations. As payments are delayed, businesses may face increased borrowing costs or need to take short-term loans to maintain liquidity, which adds financial strain. The need for additional resources to chase overdue payments further increases operational costs and administrative burdens. If delays continue, businesses risk bad debts, damaging profitability and hindering growth opportunities.

During the seven months period ended on October 31, 2024 and the Financial Year ended on March 31, 2024, March 31, 2023 and March 31, 2024 our trade receivables were ₹ 1,095.41 lakhs, ₹ 446.75 lakhs, ₹ 651.88 lakhs and ₹ 212.13 lakhs respectively. Extended payment delays also harm customer relationships, leading to lost trust and potential loss of future business. If payments remain unpaid, businesses may need to pursue legal action, which incurs costs and risks damaging the company's reputation. Overall, payment delays threaten both financial stability and long-term sustainability, making effective credit management and prompt follow-up essential. Such defaults/delays by our customers in meeting their payment obligations to us may have a material effect on our business, financial condition and results of operations. Such situation may require an additional and, consequently, higher finance cost which will adversely impact our profitability.

**22. The structure and specific provisions such as negative covenants in our financing arrangements could adversely affect our financial condition.**

Some of our loan agreements include financial and non-financial covenants. The agreements governing certain of our debt obligations include terms that require us to obtain prior consent before undertaking, among other things, the following:

- any dilution of capital or sale of fixed assets;
- dilution of stake in the business and withdrawal of any unsecured loans;
- reduction of the Promoter's stake or investment in our Company; and
- extension of financial assistance to an associate concern;

Such restrictive covenants in our loan agreements may restrict our operations or ability to expand and may adversely affect our business. For details of these restrictive covenants and other risks in relation to our financing arrangements, see the sections titled "**Financial Indebtedness**" at page 233 of this Draft Red Herring Prospectus.

The use of borrowings presents the risk that we may be unable to service interest payments and principal repayments or comply with other requirements of any loans, rendering borrowings immediately repayable in whole or in part, together with any attendant cost, and we might be forced to sell some of its assets to meet such obligations, with the risk that borrowings will not be able to be refinanced or that the terms of such refinancing may be less favourable than the existing terms of borrowing.

In addition, a decline in our revenue for any reason may affect our cash flows and results of operations and potentially result in a breach of any of our financial covenants specified in our banking arrangements, thereby causing an event of default with the result that the lenders could enforce their security and take possession of the underlying properties. Any cross-default provisions could magnify the effect of an individual default and if such a provision were exercised, this could result in a substantial loss to us in addition to potentially disrupting our operations. If our borrowings become more expensive, relative to the revenue they receive from their investments, then our results of operations will be adversely affected. If we are not able to obtain new finance for any reason, we may suffer a substantial loss as a result of having to dispose off the investments which cannot be refinanced.

**23. We have experienced negative cash flows in the prior periods.**

Our Company had negative cash flows from our operating activities, investing activities as well as financing activities in the previous year(s) as per the Restated Financial Statements and the same are summarized as under:

**(Rs. In Lakhs)**

Particulars	For the seven months period ended October 31, 2024	For the year ended March 31,		
		2024	2023	2022
Net cash (used in)/ generated from operating Activities	(36.34)	913.05	93.11	243.94
Net cash (used in)/ generated from investing Activities	(253.31)	(536.32)	(168.82)	(125.46)
Net cash (used in)/ generated from financing Activities	316.56	(344.29)	73.02	(117.83)
Net increase/ (decrease) in cash and cash Equivalents	26.91	32.44	(2.69)	0.65
Cash and Cash Equivalents at the beginning of the period	37.09	4.65	7.34	6.69
Cash and Cash Equivalents at the end of the Period	64.00	37.09	4.65	7.34

Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet capital expenditure, pay dividends, repay loans, and make new investments without raising finance from external resources. If we are not able to generate sufficient cash flows in future, it may adversely affect our business and financial operations.

**24. Our Company has issued Equity Shares in the last one year at a price which may be lower than the Offer Price.**

We have issued Equity Shares in the preceding one year at a price which is lower than the Offer Price excluding Bonus Issue. The details of the Equity Shares have been provided below:

Date of Allotment	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Reasons of Allotment	Whether part of Promoter Group	Allottees	No. of Shares Allotted
September 30, 2024	4,00,300	10	105	Preferential Allotment	No	M/s. Regal Jute Private Limited	15,000
						M/s. Manoj Kumar Kochar (HUF)	19,000
						Mr. Anshul Agarwal	30,000
						Mr. Kashish Agarwal	38,000
						Mr. Nasir Haji Aziz Boda	19,000
						Mr. Amit Agarwal	15,000
						Ms. Dipali Bothra	22,500
						Mr. Ghanshyam Das Manihar	9,400
						Ms. Leela Devi Manihar	9,400
						M/s. Modest Investment Co. (P) Ltd.	48,000
						Ms. Pragati Jalan	19,000
						M/s. Shree Shyam Investments (through its proprietor Ms. Megha Bhuwania)	47,000
						M/s. Basudev Dealers LLP	47,000
						M/s. Pulin Investments Private Limited	62,000
<b>Total</b>							<b>4,00,300</b>

**25. Certain Agreements, deeds or licenses may be in the previous name of the company.**

Our certain agreements, deeds or licenses of our Company is in the name of the erstwhile name of the company i.e. ARC Insulation & Insulators Private Limited. We are in process to change the name in our new name i.e. ARC Insulation & Insulators Limited, however in case we fail to change the name of the company in the agreements, deeds or licenses, that were entered before conversion into a public company, it may cause adverse effect on the status and viability of those agreements. For further information, please refer to the chapters/section titled “**Our Business**”, beginning on page 138 of this Draft Red Herring Prospectus.





**26. The average cost of acquisition of Equity Shares by the Promoters is less than the Offer Price.**

The average cost of acquisition of Equity Shares by the Promoters is less than the Offer Price. The details of the average cost of acquisition of Equity shares held by the Promoters are set out as below:

Name of the Promoters	Average Cost of Acquisition (₹)
Mr. Manish Bajoria	3.39
M/s. Swabhumi Distributors Private Limited	1.68
Ms. Neelam Bajoria	1.54
M/s. Manish Bajoria HUF	2.50
Mr. Ashish Bajoria	Nil

**27. Failure to protect our intellectual property rights may adversely affect our competitive business position, financial position and profitability.**

Currently, our Company has applied for the registration of our trademark as per the Trade Marks Act, 1999 as mentioned below:

Logo	Class & Application no./ Temporary Reference no.
	<u>Class 17- 6622120</u>
	<u>Class 17- 11778856</u> <u>Class 19-11778865</u> <u>Class 35 -11778866</u>
	<u>Class 17- 11779874</u> <u>Class 19-11779976</u> <u>Class 35 -11780038</u>
	<u>Class 17 – 11780078</u> <u>Class 19-11780116</u> <u>Class 35-11780152</u>

Until this application is granted, there is a risk that other vendors in similar lines of business may utilize our trademark, which could limit our ability to initiate legal proceedings to protect our brand name.

In the event of opposition from third parties or if any injunctive or adverse order is issued against us concerning our trademark, we may encounter difficulties in effectively using this intellectual property or securing the necessary legal protection. This situation could impede our ability to prevent unauthorized use by third parties, potentially harming our goodwill and overall business.

Furthermore, we may find it challenging to detect instances of unauthorized use or infringement and may be unable to take timely and appropriate action to enforce our rights. We cannot provide any assurance that unauthorized use or infringement will not negatively impact our business prospects. If we are unable to protect our trademark from unauthorized use, it could significantly affect our revenues and profitability.

For further details, see “**Government and Other Statutory Approvals**” on page 238 of this Draft Red Herring Prospectus. In the event that we are unable to obtain such approvals in a timely manner or at all, our business operations may be adversely affected.

**28. Brand recognition is important to the success of our business, and our inability to build and maintain our brand name will harm our business, financial condition and results of operation.**

Brand recognition is important to the success of our business. Establishing and maintaining our brand name in the industry or for people relying on services is critical to the success of the customer acquisition process of our business. Although, we expect to allocate significant number of resources, financial and otherwise, on establishing and maintaining our brands, no assurance can be given that our brand name will be effective in attracting and growing user and client base for our

businesses or that such efforts will be cost-effective, which may negatively affect our business, financial condition and results of operations.

The Company's success significantly depends on its brand recognition and reputation within the industry. Failure to build and maintain strong brand name could adversely impact the Company's business, financial condition, and operation results.

Customers are more likely to choose and remain loyal to companies they recognise and trust, leading to increased revenue and market share. Strong brand recognition may allow the Company to command premium prices for its services compared to less-known competitors. A respected brand attracts and retains skilled professionals, further enhancing the Company's competitiveness. A well-established brand requires less marketing and advertising expenditure to reach target customers. If the Company fails to reach its target audience with its marketing and branding efforts, it may not achieve the desired level of brand recognition. Any negative publicity or reputational damage, such as accidents, service failures, or ethical lapses, could significantly erode brand equity and customer trust. This industry is highly competitive, and established brands may significantly challenge the Company's efforts to build brand recognition. Customer preferences can shift over time, and the Company's brand may become less relevant or appealing if it fails to adapt to changing market trends.

**29. Compliance with and changes in safety, health and environment laws and regulations may adversely affect our business, prospects, financial condition and results of operations**

Due to the nature of our business, we anticipate being subject to extensive and increasingly stringent environmental, health, and safety laws and regulations, as well as various labour and workplace regulations. Specifically, we are governed by some environmental laws and regulations and state specific laws including, but not limited to:

- Environment (Protection) Act, 1986
- Air (Prevention and Control of Pollution) Act, 1981
- Water (Prevention and Control of Pollution) Act, 1974
- West Bengal Tax on Profession, Trade, Callings and Employment Act, 1979
- Factories Act 1948
- Other regulations issued by the Pollution Control Boards of West Bengal

These laws regulate the discharge, emission, storage, handling, and disposal of various substances that may be used in or generated by our operations. The scope and impact of new environmental regulations, along with their effects on our operations, are difficult to predict. Consequently, the costs and management resources required to comply with these regulations could be significant.

Amendments to existing statutes may introduce additional compliance obligations for our Company, potentially leading to expenses related to clean-up and remediation, as well as damages, fines, penalties, and the possible closure of production facilities for non-compliance. Such liabilities and related litigation could adversely affect our business, prospects, financial condition, and operational results.

**30. A portion of our revenues and expenses are denominated in foreign currencies. As a result, we are exposed to foreign currency exchange risks and regulatory changes in foreign exchange management which may adversely impact our results of operations.**

A portion of our revenue and expenses are conducted in foreign currencies, exposing us to foreign currency exchange risks. As we engage in transactions denominated in currencies other than our reporting currency, fluctuations in exchange rates can impact our financial performance. For instance, if the value of the foreign currency decreases relative to our reporting currency, the revenue from these transactions may be lower when converted. Conversely, if the foreign currency appreciates, our costs associated with those currencies could increase, potentially affecting our profitability.

Below table shows details of Foreign Currency transactions undertaken by the company for seven months ended October 31, 2024 and financial years ended March 31, 2024, March 31, 2023 and March 31, 2022:

Particulars	For the period from 1.4.24 to 31.10.2024	For the year ended 31.03.2024	For the year ended 31 March 2023	For the year ended 31.03.2022
<b>Expense in Foreign Currency</b>				
Purchases (In USD)	133,754.40	262,467.58	295,770	-
Purchases (In INR in Lacs)	112.90	218.50	243.00	-



Expenses (Customs Duty, Freight, insurance, SWS)	14.94	33.56	57.86	4,357.00
<b><u>Capital Goods in Foreign Currency</u></b>				
Purchases (In USD)	-	-	145,700.00	44,750.00
Purchases (In Russian Ruble)		8,100,000.00	-	-
Purchases (In INR in Lacs)	-	91.23	118.78	33.61
<b><u>Income in Foreign Currency</u></b>				
Sales (In USD)	32,103.00	57,520.01	156,224.50	162,296.00
Sales (In INR in Lacs)	25.38	43.49	119.81	117.19

Additionally, we are subject to foreign exchange regulations, which can vary by jurisdiction and may change over time. Such regulatory changes can affect how we manage and convert foreign currencies, introducing potential additional costs or complexities in our operations.

Therefore, the risks associated with foreign currency exchange and regulatory changes may adversely impact our financial results and operational performance.

**31. Our Company has unsecured loans which are repayable on demand. Any demand from lenders for repayment of such unsecured loans may adversely affect our cash flows.**

Our Company has availed unsecured loans which may be recalled by lenders at any time with or without the existence of an event of default, on short or no notice. As of October 31, 2024, such loans amounted to ₹ 12.34 lakhs outstanding to Related Parties. In the event that any lender seeks a repayment of any such loan, our Company would need to find alternative sources of financing, which may not be available on commercially reasonable terms, or at all. As a result, any such demand may affect our business, cash flows, financial condition and results of operations. For further details, please see the section entitled “*Statement of Financial Indebtedness*” on page 233 of this Draft Red Herring Prospectus.

**32. Our insurance coverage may prove inadequate to satisfy future claims against us.**

Our operations are subject to risks inherent in manufacturing facilities such as risk of equipment failure, work accidents, fire, earthquakes, flood and other force majeure events, acts of terrorism and explosions including hazards that may cause injury and loss of life, severe damage to and the destruction of property and equipment and environmental damage. Our significant insurance policies consist of, among others, insurance policy of Marine Cargo Open Cover/Open Policy for import and export, policy of Marine Cargo Open Cover/Open Policy for inland, Policy for Standard Fire & Special Perils, Burglary Insurance Policy, and Vehicle Insurance. One of our Vehicle Insurance Policy with ICICI Lombard is inadvertently in the name ARC Insulation and Insulators instead of ARC Insulation and Insulators Limited. Failure to effectively cover ourselves against the associated risks may potentially lead to material losses. There can be no assurance that our insurance policies will be adequate to cover the losses/ damages suffered or that such insurance coverage will continue to be available on reasonable terms or will be available in sufficient amounts to cover one or more large claims, or that the insurer will not disclaim coverage as to any future claim. If we suffer a significant uninsured loss or if insurance claim in respect of the subject matter of insurance is not accepted or any insured loss suffered by us significantly exceeds our insurance coverage, our business, financial condition and results of operations may be materially and adversely affected. Our Company has not filed any insurance claim for the seven months period ending on October 31, 2024, Fiscals 2024, 2023 and 2022.

For further details kindly refer to chapter titled “*Business Overview*” beginning on pages 138, of this Draft Red Herring Prospectus

**33. If we are unable to source business opportunities effectively, we may not achieve our financial objectives.**

Our ability to achieve our financial objectives will depend on our ability to identify, evaluate and accomplish business opportunities. To grow our business, we will need to hire, train, supervise and manage new employees and to implement systems capable of effectively accommodating our growth. However, we cannot assure you that any such employees will contribute to the success of our business or that we will implement such systems effectively. Our failure to source business opportunities effectively could have a material adverse effect on our business, financial condition and results of operations. It is also possible that the strategies used by us in the future may be different from those presently in use. No

assurance can be given that our analyses of market and other data or the strategies we use or plans in future to use will be successful under various market conditions.

**34. *Our failure to perform in accordance with the standards prescribed in our client contracts could result in loss of business or payment of liquidated damages.***

We may be unable to effectively address capacity constraints or accurately predict capacity requirements, as a result of which our clients may experience service shortfalls. Any disruptions to our businesses, including as a result of actions outside of our control, could significantly impact the continued performance of our contractual obligations to meet the quality or performance standards set out in our client contracts which may in-turn harm our reputation, cause clients to terminate their contracts with us, impair our ability to obtain renewal of our contracts from existing clients and impair our ability to grow our client base, any of which could adversely affect our business, financial condition and results of operations. In the event that we are unable to meet the prescribed obligations, we may also be required to pay compensation or liquidated damages to our clients on the terms set out in our contracts. In certain instances, we may also be required to bear consequential liability.

**35. *Orders placed by customers may be delayed, modified, cancelled or not fully paid for by our customers, which may have an adverse effect on our business, financial condition and results of operations.***

We may encounter problems in executing the orders in relation to our products or executing it on a timely basis. Moreover, factors beyond our control or the control of our customers, including delays or failure to obtain necessary permits, authorizations, permissions and other types of difficulties or obstructions, may result in the postponement of the delivery of products or cause its cancellation. Further, the order could be rejected or sometimes we need to do some modification as per requirement of the customers. Accordingly, it is difficult to predict with certainty if, when, and to what extent we may be able to deliver the orders placed. Failure to deliver products on time could lead to customers delaying or refusing to pay the amount, in part or full, which may adversely affect our business. In addition, even where a delivery proceeds as scheduled, it is possible that the contracting parties may default or otherwise fail to pay amounts owed. Any such adverse event in the future could materially harm our cash flow position and income.

**36. *Our Promoters has provided a personal guarantee for loans availed by us.***

In the event of default of the debt obligations, the personal guarantees may be invoked thereby adversely affecting our Promoter's ability to manage the affairs of our Company and our Company's profitability and consequently, this may impact our business, prospects, financial condition, and results of operations. Our Company has availed loans in business. Our Promoters has provided a personal guarantee in relation to certain loans availed by our Company, for details please see "**Financial Indebtedness**" on page 233 of the Draft Red Herring Prospectus. In the event of default in repayment of the loans by the Company, the personal guarantee extended by our Promoters may be invoked by our lenders thereby adversely affecting our Promoter's ability to manage the affairs of our Company and this, in turn, could adversely affect our business, prospects, financial condition and results of operations.

**37. *Our Company will not receive any proceeds from the Offer for Sale.***

This offer document comprises of an offer for sale of 215,000 Equity Shares by the promoter Mr. Manish Bajoria. The proceeds from the Offer pertaining to the above sale shares will be paid to Selling Shareholder for the Equity Shares offered by it in the Offer and we will not receive any proceeds from the Offer. For further details, please refer the chapter titled "**Objects of the Offer**" on page no. 93 of this Prospectus.

**38. *We are heavily dependent on machinery for our operations. Any break-down of our machinery will have a significant impact on our business, financial results and growth prospects.***

Our manufacturing facility relies heavily on plant and machinery, making us vulnerable to significant repair and maintenance costs in the event of a malfunction or breakdown. Such issues could also cause operational delays. While we strive to maintain adequate supplies of spare parts and maintenance equipment, delays in procuring necessary parts or completing repairs could disrupt our manufacturing operations, adversely affecting our operational results and financial condition. Additionally, we do not carry insurance for machinery breakdowns, meaning any associated costs would be our responsibility and could negatively impact our financial condition and operational results.

**39. *We are dependent on third party transportation providers for the delivery of raw materials and products. Accordingly, continuing increases in transportation costs or unavailability of transportation services for our products, as well the extent and reliability of Indian infrastructure may have an adverse effect on our business, financial condition, results of operations and prospects.***

We rely on third-party transportation providers for the supply of most of our raw materials and the delivery of our products to customers. Transportation strikes could negatively impact our ability to receive raw materials and deliver products. Additionally, the non-availability of trucks could further disrupt our supply chain. Transportation costs in India have been steadily increasing over the past few years. Although these costs are typically borne by the end consumer, we may not always be able to pass them on to our customers. Continuous increases in transportation costs or unavailability of transportation services could adversely affect our business, financial condition, operational results, and prospects.

Moreover, India's physical infrastructure is less developed compared to many developed nations. Issues with ports, rail and road networks, the electricity grid, communication systems, or other public facilities could disrupt our normal business activities, including the supply of raw materials and the delivery of products via third-party transportation providers. Any deterioration in India's infrastructure would harm the national economy, disrupt the transportation of goods, and increase business costs. These challenges could interrupt our operations, materially impacting our financial condition and operational results.

***40. We may not be able to realise the amounts, partly or at all, reflected in our Order Book which may materially and adversely affect our business, prospects, reputation, profitability, financial condition and results of operation.***

Future earnings related to the supply of our services in the order book may not be realized and although the orders in the order book represent business that is considered firm, cancellations or scope or schedule adjustments may occur. We may also encounter problems executing the order or executing it on a timely basis. Moreover, factors beyond our control or the control of our clients may postpone the delivery or cause its cancellation, including delays or failure to obtain necessary permits, authorizations, permissions, right-of-way, and other types of difficulties or obstructions. Due to the possibility of cancellations or changes in scope and schedule of orders, resulting from our clients' discretion or problems we encounter in execution of such contracts or reasons outside our control or the control of our clients, we cannot predict with certainty when, if or to what extent an order forming part of our order book will be performed. Delays in the completion of an order can lead to clients delaying or refusing to pay the amount, in part or full, that we expect to be paid in respect of such order. Even relatively short delays or difficulties in the execution of an order could result in our failure to receive, on a timely basis or at all, all payments due to us on a project.

***41. Introduction of alternative technology in manufacturing by our competitors may reduce demand for our existing products and may adversely affect our profitability and business prospects.***

Our competitors may decide to seek alternative technology coupled with the development of more alternatives, which may adversely affect our business and profitability if we are not able to respond to these changes. Our ability to anticipate changes in technology, to develop & introduce new and enhanced products successfully on a timely basis will be a significant factor in our ability to grow and remain competitive. We cannot assure you that we will be able to achieve the technological advances that may be necessary for us to remain competitive or that certain of our products will not become obsolete. We are also subject to the risks generally associated with new product introductions and applications, including lack of market acceptance and delays in product development. Any failure on our part to forecast and / or meet the changing demands will have an adverse effect on our business, profitability and growth prospects.

***42. We have not entered into long-term contracts with our major customers and typically operate on the basis of purchase orders, which could adversely impact our revenues and profitability.***

We generate sales generally by our continuing relationships with our customers as we do not enter in any long-term contract with our customers. Any change in the buying pattern of our end users or disassociation of major customers can adversely affect the business of our Company. The loss of or interruption of work by, a significant customer or a number of significant customers or the inability to procure new orders on a regular basis or at all may have an adverse effect on our revenues, cash flows and operations. Although we believe that we have historical business relations with our customers and have received continued business from them in the past, but there is no certainty that the same will continue in the years to come and may affect our revenues and profitability.

***43. Our business strategies and expansion plans may be subject to various unfamiliar risks and may not be successful.***

Our business strategies include the diversification of our revenue streams by addition of new clients, strengthening our relationships with our existing clients, focus on large transactions and providing integrated, end-to-end solutions, focus on increasing our revenues from new and existing industry verticals and taking advantage of the changing textile industry dynamics.

These strategies require us to expand our operations to other geographical areas and in new industry verticals. Risks that we may face in implementing our business strategy in these markets may substantially differ from those previously experienced, thereby exposing us to risks related to new markets, industry verticals and clients. The commencement of operations beyond our current markets and industry verticals is subject to various risks including unfamiliarity with

pricing dynamics, competition, service and operational issues as well as our ability to retain key management and employees. There can also be no assurance that we will not experience issues such as capital constraints, difficulties in expanding our existing operations and challenges in training an increasing number of personnel to manage and operate our expanded business, or that we will be able to successfully manage the impact of our growth on our operational and managerial resources and control systems. We may not be able to successfully manage some, or all of the risks associated with such an expansion into new geographical areas and new industry verticals, which may place us at a competitive disadvantage, limit our growth opportunities and materially and adversely affect our business, results of operations and financial condition. Furthermore, our participating in industry verticals such as e-commerce and bulk has increased in recent financial periods. We cannot guarantee that our business in these industry verticals will continue to perform in a manner consistent with its performance in prior periods.

Going forward, we plan to make further investments or undertake transactions to enhance our operations and technological capabilities in the markets where we currently operate. However, it is possible that we may not be able to identify suitable investment opportunities in the future and if we do identify suitable opportunities, we cannot assure you that we will be able to achieve the strategic purpose of these investments and generate the expected benefits. Our management's attention and resources may also be diverted from our operations as a result of these investment transactions. If any of the foregoing risks materialize, it could adversely affect our business, financial condition, results of operations and prospects.

***44. Misconduct or errors by manpower engaged by us could expose us to business risks or losses that could adversely affect our business prospects, results of operations and financial condition.***

Misconduct or errors by manpower engaged by us could expose us to business risks or losses, including regulatory sanctions, penalties and serious harm to our reputation. Such misconduct includes breach of security requirements, misappropriation of funds, hiding unauthorized activities, failure to observe our stringent operational standards and processes and improper use of confidential information. It is not always possible to detect or deter such misconduct, and the precautions we take to prevent and detect such misconduct may not be effective.

The risks associated with the deployment of manpower engaged by us include, among others, possible claims relating to:

- actions or inactions, including matters for which we may have to indemnify our clients;
- our failure to adequately verify personnel backgrounds and qualifications resulting in deficient services;
- failure of manpower engaged by us to adequately perform their duties or absenteeism;
- errors or malicious acts or violation of security, privacy, health and safety regulations; and
- damage to our clients' facilities or property due to negligence or criminal acts.

These claims may give rise to litigation and claims for damages, which could be time-consuming. These claims may also result in negative publicity and adversely impact our reputation and brand name. We may also be affected in our operations by the acts of third parties, including sub-contractors and service providers. Any claims and proceedings for alleged negligence as well as regulatory actions may in turn materially and adversely affect our brand and our reputation, and consequently, our business, financial condition, results of operations and prospects.

***45. General economic and market conditions in India and globally could have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects.***

Our business is highly dependent on economic and market conditions in India and other jurisdictions where we operate. General economic and political conditions in India, such as macroeconomic and monetary policies, industry-specific trends, mergers and acquisitions activity, legislation and regulations relating to the financial and securities industries, household savings rate, investment in alternative financial instruments, upward and downward trends in the market, business and financial sectors, volatility in security prices, perceived lack of attractiveness of the Indian capital markets, inflation, foreign direct investment, consumer confidence, currency and interest rate fluctuations, availability of short-term and long-term market funding sources and cost of funding, could affect our business. Global economic and political conditions may also adversely affect the Indian economic conditions. Market conditions may change rapidly, and the Indian capital markets have experienced significant volatility in the past. The Indian economy has had sustained periods of high inflation in the recent past. If inflation or real interest rates were to rise significantly, the trends towards increased financial savings might slow down or reverse, our employee costs may increase and the sales of many of our products and services may decline.

***46. Major fraud lapses of internal control, system failures, theft, employee negligence or similar incidents could adversely impact the company's business.***

Our Company is vulnerable to risk arising from the failure of employees to adhere to approved procedures, system controls, fraud, theft, system failures, information system disruptions, communication systems failure and interception during transmission through external communication channels or networks. Failure to protect fraud or breach in security may adversely affect our Company's operations and financial performance. Our reputation could also be adversely affected by significant fraud committed by our employees, agents, customers or third parties.

Despite implementing security measures and internal controls, there is no guarantee that we will completely avoid instances of fraud, theft, employee negligence, or security lapses in the future. Any such occurrence could lead to significant financial losses and affect our overall business performance.

Though, there had been no of such instances in past, we may not be able to assure such incident will not happen in the future.

***47. Our Promoters, Directors and Key Management Personnel have interest in our Company, other than reimbursement of expenses incurred or remuneration.***

Our Promoters, Directors and Key Management Personnel can be deemed to be interested to the extent of the Equity Shares held by them, or their relatives, dividend entitlement, or loans advanced and personal guarantee provided by them for the Company, and benefits deriving from the directorship in our Company. Our Promoters are interested in the transactions entered into our Company and our Promoter Group. For further information, please refer to the chapters/section titled "***Our Business***", "***Our Promoters and Promoter Group***" and "***Annexure XXX - Related Party Transactions under Financial Information of our Company***", beginning on pages 138, 206 and 215 respectively.

***48. We have entered into related party transactions in the past and may continue to do so in the future.***

We have in the course of our business entered into, and will continue to enter into, several transactions with our related parties. We cannot assure you that we will receive similar terms in our related party transactions in the future. While we believe that all such related party transactions that we have entered into in last three fiscals are legitimate business transactions conducted on an arms' length basis, in compliance with the requirements stipulated in Companies Act, 2013, and relevant Accounting Standards and other statutory compliances, we cannot assure you that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties. Any further transactions with our related parties could involve conflicts of interest. While we have not had any conflict of interest in relation to our equity shareholders in the past, we cannot assure you that such conflicts will not arise in the future. Further, we cannot assure you that such transactions, individually or in the aggregate, will not have any adverse effect on our business and financial results, including because of potential conflicts of interest or otherwise. For further information on our related party transactions, see "***Financial Statements – Related Party Transactions***" on page 215.

***49. The nature of our business exposes us to liability claims and contract disputes and our indemnities may not adequately protect us. Any liability in excess of our reserves or indemnities could result in additional costs, which would reduce our profits.***

Time is often of the essence in our business work. In the event there are delays in our current or future service, we will not be able to get extensions from our customers. Further, in some contracts, in case of delay due to deficiency in services by us, clients may have the right to complete the work at our risk and cost by engaging a third party. In the event we fail to perform under the terms of a particular contract that could adversely affect our financial conditions and business operations. Failure to effectively cover ourselves against any of these reasons could expose us to substantial costs and potentially lead to material losses. In addition, if there is a customer dispute regarding our performance or workmanship, the customer may delay or withhold payment to us.

***50. There are no alternate arrangements for meeting our requirements for the Objects of the Offer. Any shortfall in raising / meeting the same could adversely affect our growth plans, operations and financial performance***

As on date, we have not made any alternate arrangements for meeting our capital requirements for the Objects of the Offer. We meet our working capital requirements through our owned funds and internal accruals. Any shortfall in our net owned funds, internal accruals and our inability to raise debt in future would result in us being unable to meet our capital expenditure requirements, which in turn will negatively affect our financial condition and results of operations. Further we have not yet identified any alternate source of funding and hence any failure or delay on our part to raise money from this Offer or any shortfall in the Offer Proceeds may delay the implementation schedule and could adversely affect our growth plans. For further details, please refer chapter titled "***Objects of the Offer***" on page 93 of this Draft Red Herring Prospectus.

**51. *Delays or defaults in payments from our clients could result into a constraint on our cash flows. The efficiency and growth of our business depends on timely payments received from our clients.***

In the event, our client's default or delay in making payments and clearing their dues, we may not have adequate resources to fund our business and implement our growth plans. This could have an adverse effect on the results of operations and our financial condition.

**52. *Our actual results could differ from the estimates and projections used to prepare our financial statements.***

The estimates and projections are based on and reflect our current expectations, assumptions and/ or projections as well as our perception of historical trends and current conditions, as well as other factors that we believe are appropriate and reasonable under the circumstances. There can be no assurance that our expectations, estimates, assumptions and/or projections, including with respect to the future earnings and performance will prove to be correct or that any of our expectations, estimates or projections will be achieved.

**53. *Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditure and restrictive covenants in our financing arrangements.***

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. Accordingly, realization of a gain on shareholder's investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value. For details of our dividend history, see "*Dividend Policy*" on page 214 of this Draft Red Herring Prospectus.

**54. *Our future funds requirements, in the form of fresh issue of capital or securities and/or loans taken by us, may be prejudicial to the interest of the shareholders depending upon the terms on which they are eventually raised.***

We may require additional capital from time to time depending on our business needs. Any fresh issue of shares or convertible securities would dilute the shareholding of the existing shareholders and such issuance may be done on terms and conditions, which may not be favorable to the then existing shareholders. If such funds are raised in the form of loans or debt, then it may substantially increase our interest burden and decrease our cash flows, thus prejudicially affecting our profitability and ability to pay dividends to our shareholders.

**55. *Some of the KMPs are associated with our Company for less than one year.***

Our Key Management Personnel, and Company Secretary & Compliance Officers are associated with the Company for a period of less than one year therefore they may not have been accustomed to the company affairs till date. For details of Key Management Personnel and their appointment, please refer to chapter "*Our Management*" beginning on page 185 of this Draft Red Herring Prospectus.

**56. *There is no guarantee that our Equity Shares will be listed on the Stock Exchanges in a timely manner or at all.***

In accordance with Indian law and practice, permission to list the Equity Shares will not be granted until after the Equity Shares have been issued and allotted. Approval will require all other relevant documents authorizing the issuing of our Equity Shares to be submitted. There could be a failure or delay in listing our Equity Shares on the Stock Exchanges. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares.

**57. *The deployment of funds raised through this Offer shall not be subject to any Monitoring Agency and shall be purely dependent on the discretion of the management of Our Company.***

Since, the Offer size is less than ₹10000.00 Lakhs, there is no mandatory requirement of appointing an Independent Monitoring Agency for overseeing the deployment of funds raised through this Issue. The deployment of these funds raised from this Issue, is hence, at the discretion of the management and the Board of Directors of Our Company and Our Company's management will have flexibility in applying the proceeds of the Offer and will not be subject to monitoring by any independent agency. The fund requirement and deployment mentioned in the Objects of the Offer is based on internal management estimates and have not been appraised by any bank or financial institution. Any inability on our part to effectively utilize the Offer proceeds could adversely affect our financials. However, our Audit Committee will monitor the utilization of the proceeds of this Offer and prepare the statement for utilization of the proceeds of this Issue. Also, in accordance with Section 27 of the Companies Act, 2013, a company shall not vary the objects of the Offer without the Company being authorized to do so by our shareholders by way of special resolution and other compliances as applicable in this regard. Our Promoters and controlling shareholders shall provide exit opportunity

to such shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, as may be prescribed by SEBI, in this regard.

**58. *The requirements of being a public listed company may strain our resources and impose additional requirements.***

As we transition to being a publicly listed company, we anticipate encountering new challenges and responsibilities that were not present before. These include heightened scrutiny from shareholders, regulators, and the public, resulting in increased legal, accounting, and corporate governance expenses. Moreover, we will need to adhere to listing agreements with stock exchanges, necessitating the regular filing of unaudited financial results. Meeting these obligations will require significant resources and management oversight, potentially diverting attention from other aspects of our business. There is also the need to strengthen our management team with individuals possessing public company experience and accounting expertise. However, the timely acquisition of such talent is not guaranteed. Overall, this transition may pose obstacles to our business operations and could impact our ability to promptly report changes in our financial performance compared to other listed companies.

**59. *QIBs and Non-Institutional Bidders are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid and Retail Individual Investors are not permitted to withdraw their Bids after Bid/Issue Closing Date.***

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. Retail Individual Bidders can revise their Bids during the Bid/Issue Period and withdraw their Bids until Bid/Issue Closing Date. While we are required to complete Allotment, listing and commencement of trading pursuant to the Offer within three (3) Working Days from the Bid/ Offer Closing Date, events affecting the Bidders' decision to invest in our Equity Shares, including adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operations, cash flows and financial condition may arise between the date of submission of the Bid and Allotment, listing and commencement of trading. We may complete the Allotment, listing and commencement of trading of our Equity Shares even if such events occur and such events may limit the Bidders' ability to sell our Equity Shares Allotted pursuant to the Offer or may cause the trading price of our Equity Shares to decline on listing.

Retail Individual Investors can revise their Bids during the Bid/Issue Period and withdraw their Bids until Bid/Issue Closing Date. While our Company is required to complete all necessary formalities for listing and commencement of trading of the Equity Shares on all Stock Exchanges where such Equity Shares are proposed to be listed including Allotment pursuant to the Offer within three Working Days from the Bid/Issue Closing Date, events affecting the Bidders' decision to invest in the Equity Shares, including material adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operations or financial condition may arise between the date of submission of the Bid and Allotment. Our Company may complete the Allotment of the Equity Shares even if such events occur, and such events limit the Bidders' ability to sell the Equity Shares Allotted pursuant to the Offer or cause the trading price of the Equity Shares to decline on listing.

**Issue Specific Risks:**

**60. *There are restrictions on daily/weekly/monthly movements in the price of the Equity Shares, which may adversely affect a shareholders' ability to sell, or the price at which it can sell, Equity Shares at a point in time.***

Once listed, we would be subject to circuit breakers imposed by all stock exchanges in India, which does not allow transactions beyond specified increases or decreases in the price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on circuit breakers is set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The stock exchanges do not inform us of the percentage limit of the circuit breaker in effect from time to time and may change it without our knowledge. This circuit breaker limits the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, no assurance may be given regarding your ability to sell your Equity Shares or the price at which you may be able to sell your Equity Shares at any time.

**61. *After this Issue, the price of the Equity Shares may be highly volatile, or an active trading market for the Equity Shares may not develop.***

The price of the Equity Shares on the Stock Exchanges may fluctuate as a result of the factors, including:

- a. Volatility in the Indian and global capital market;
- b. Company's results of operations and financial performance;

- c. Performance of Company's competitors,
- d. Adverse media reports on Company or pertaining to the agriculture Industry;
- e. Changes in our estimates of performance or recommendations by financial analysts;
- f. Significant developments in India's economic and fiscal policies; and
- g. Significant developments in India's environmental regulations.

Current valuations may not be sustainable in the future and may also not be reflective of future valuations for our industry and our Company. There has been no public market for the Equity Shares and the prices of the Equity Shares may fluctuate after this Issue. There can be no assurance that an active trading market for the Equity Shares will develop or be sustained after this Offer or that the price at which the Equity Shares are initially traded will correspond to the price at which the Equity Shares will trade in the market subsequent to this Issue.

**62. Industry information included in this Draft Red Herring Prospectus has been derived from publicly available industry reports and/or websites. There can be no assurance that such third-party statistical financial and other industry information is either complete or accurate.**

We have relied on the information from various publicly available industry reports and/or websites for purposes of inclusion of such information in this Draft Red Herring Prospectus.

Sr No.	Name of the Organization	Web link
1.	International Monetary Fund	<a href="https://www.imf.org/en/Publications/WEO/Issues/2024/07/16/world-economic-outlook-update-july-2024">https://www.imf.org/en/Publications/WEO/Issues/2024/07/16/world-economic-outlook-update-july-2024</a>
2.	India Brand Equity Foundation	<a href="https://www.ibef.org/economy/indian-economy-overview">https://www.ibef.org/economy/indian-economy-overview</a>
3.	India Brand Equity Foundation	<a href="https://www.ibef.org/industry/manufacturing-sector-india">https://www.ibef.org/industry/manufacturing-sector-india</a>

These reports are subject to various limitations and based upon certain assumptions that are subjective in nature. We have not independently verified data from such industry reports and other sources. Although we believe that the data may be considered to be reliable, their accuracy, completeness and underlying assumptions are not guaranteed, and their Dependability cannot be assured. While we have taken reasonable care in the reproduction of the information, the information has not been prepared or independently verified by us, or any of our respective affiliates or advisors and, therefore, we make no representation or warranty, express or implied, as to the accuracy or completeness of such facts and statistics. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. Statements from parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Draft Red Herring Prospectus.

**63. You will not be able to sell immediately on Stock Exchange any of the Equity Shares you purchase in the Offer until the Offer receives appropriate trading permissions.**

The Equity Shares will be listed on the Stock Exchange. Pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed and trading may commence. We cannot assure you that the Equity Shares will be credited to investor's demat accounts, or that trading in the Equity Shares will commence, within the time periods specified in this Draft Red Herring Prospectus. Any failure or delay in obtaining the approval would restrict your ability to dispose of the Equity Shares. In accordance with section 40 of the Companies Act, 2013, in the event that the permission of listing the Equity Shares is denied by the stock exchanges, we are required to refund all monies collected to investors.

**64. The Offer price of our Equity Shares may not be indicative of the market price of our Equity shares after the Offer.**

The Offer price of our equity Shares has been determined by Book Built Method. This price is based on numerous factors and may not be indicative of the market price of our Equity Shares after the Offer. The market price of our Equity Shares could be subject to significant fluctuation after the Offer and may decline below the Offer price. We cannot assure you that you will be able to sell your Equity Shares at or above the Offer price. For further details you may refer chapter titled "**Basis for Offer Price**" beginning on the page 110 of this Draft Red Herring Prospectus.



Some of the factors which may affect our share price without limitations are as follows:

- Reports on research by analysts.
- Changes in revenue.
- Variations in growth rate of our financial indicators such as earning per share, income, profit etc.
- General Market Condition
- Domestic and International Economy.

**65. *Sale of Equity Shares by our Promoters or other significant shareholder(s) may adversely affect the Trading price of the Equity Shares.***

Any instance of disinvestments of equity shares by our Promoters or by other significant shareholder(s) may significantly affect the trading price of our Equity Shares. Further, our market price may also be adversely affected even if there is a perception or belief that such sales of Equity Shares might occur.

**EXTERNAL RISKS**

**Industry Related Risks:**

**66. *Changes in government regulations or their implementation could disrupt our operations and adversely affect our business and results of operations.***

Our business and industry are regulated by different laws, rules and regulations framed by the Central and State Government. These regulations can be amended/ changed on a short notice at the discretion of the Government. If we fail to comply with all applicable regulations or if the regulations governing our business or their implementation change adversely, we may incur increased costs or be subject to penalties, which could disrupt our operations and adversely affect our business and results of operations.

**67. *Changing regulations in India could lead to new compliance requirements that are uncertain. The regulatory environment in which we operate is evolving and is subject to change.***

The Government of India may implement new laws or other regulations that could affect the manufacturing industry or the sectors we serve, which could lead to new compliance requirements. New compliance requirements could increase our costs or otherwise adversely affect our business, financial condition and results of operations. Further, the manner in which new requirements will be enforced or interpreted can lead to uncertainty in our operations and could adversely affect our operations. Our business and financial performance could be adversely affected by any unexpected or onerous requirements or regulations resulting from any changes in laws or interpretation of existing laws, or the promulgation of new laws, rules and regulations. Any such changes and the related uncertainties with respect to the implementation or change in the legal framework may have a material adverse effect on our business, financial condition and results of operations.

**68. *Malpractices by some players in the industry affect overall performance of emerging Companies***

The industry in which our Company operates is subject to risk associated with unethical business practices such as unethical marketing, dishonest advertising, questionable pricing practices, inaccurate claims with regards to safety and efficacy of the product etc. Consumers' attitude toward the industry today is dominated by a sense of mistrust, paving a way for regulators for stricter entry barriers and introduction of code of conducts; making the entire industry environment regulated and controlled. Malpractices by some players in the industry affects the overall performance of the emerging Companies like us as the industry norms are applicable to all at parity. Any unethical business practices by any industry player or intermediary may impact our business and results of operations.

**Other Risks:**

**69. *You may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.***

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company is generally taxable in India. A securities transaction tax ("STT") is levied both at the time of transfer and acquisition of equity shares (unless exempted) and such STT is collected by an Indian stock exchange on which equity shares are sold. You may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on

the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any capital gain realized on the sale of our Equity Shares held for a period of 12 months or less will be subject to short-term capital gains tax in India.

The Finance Act, 2020 had stipulated that the sale, transfer and issue of certain securities through exchanges, depositories or otherwise to be charged with stamp duty. The Finance Act, 2020 also clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of certain securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of certain securities, other than debentures, on a delivery basis is currently specified under the Finance Act, 2020 at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount. These amendments have come into effect from July 1, 2020. Earlier, distribution of dividends by a domestic company was subject to Dividend Distribution Tax (“DDT”), in the hands of the company and such dividends were generally exempt from tax in the hands of the shareholders. However, the government of India has amended the IT Act to abolish the DDT regime. Under the extant provisions, any dividend distributed by a domestic company is subject to tax in the hands of the concerned shareholder at the applicable rates. Additionally, the company distributing dividends is required to withhold tax on such payments at the applicable rate.

Further, the Government of India has announced the union budget for Fiscal 2025, pursuant to which the Finance Act, 2024, came into force on April 1, 2024 which has introduced various amendments to the IT Act. Unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals.

***70. Significant differences exist between Indian GAAP and other accounting principles, such as U.S. GAAP and IFRS, which may be material to the financial statements, prepared and presented in accordance with SEBI ICDR Regulations contained in this Draft Red Herring Prospectus.***

As stated in the reports of the Auditor included in this Draft Red Herring Prospectus under chapter “***Financial Statements as Restated***” beginning on page 216 the financial statements included in this Draft Red Herring Prospectus are based on financial information that is based on the audited financial statements that are prepared and presented in conformity with Indian GAAP and restated in accordance with the SEBI ICDR Regulations, and no attempt has been made to reconcile any of the information given in this Draft Red Herring Prospectus to any other principles or to base it on any other standards. Indian GAAP differs from accounting principles and auditing standards with which prospective investors may be familiar in other countries, such as U.S. GAAP and IFRS. Significant differences exist between Indian GAAP and U.S. GAAP and IFRS, which may be material to the financial information prepared and presented in accordance with Indian GAAP contained in this Draft Red Herring Prospectus. Accordingly, the degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is dependent on familiarity with Indian GAAP, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian GAAP on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

***71. Political instability or a change in economic liberalization and deregulation policies could seriously harm business and economic conditions in India generally and our business.***

The Government of India has traditionally exercised and continues to exercise influence over many aspects of the economy. Our business and the market price and liquidity of our Equity Shares may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. The rate of economic liberalization could change, and specific laws and policies affecting the information technology sector, foreign investment and other matters affecting investment in our securities could change as well. Any significant change in such liberalization and deregulation policies could adversely affect business and economic conditions in India, generally, and our business, prospects, financial condition and results of operations.

***72. Financial instability in Indian Financial Markets could adversely affect our Company’s results of operation and financial condition.***

In this globalized world, the Indian economy and financial markets are significantly influenced by worldwide economic, financial and market conditions. Any financial turmoil, say in the United States of America, Europe, China or other emerging economies, may have a negative impact on the Indian economy. Although economic conditions differ in each country, investors’ reactions to any significant developments in one country can have adverse effects on the financial and market conditions in other countries. A loss in investor confidence in the financial systems, particularly in other emerging markets, may cause increased volatility in Indian financial markets. Indian financial markets have also experienced the contagion effect of the global financial turmoil. Any prolonged financial crisis may have an adverse impact on the Indian economy, thereby resulting in a material and adverse effect on our Company's business, operations, financial condition,

profitability and price of its Shares. Stock exchanges in India have in the past experienced substantial fluctuations in the prices of listed securities.

**73. *We cannot guarantee the accuracy or completeness of facts and other statistics with respect to India, the Indian economy and our industry contained in this Draft Red Herring Prospectus.***

While facts and other statistics in this Draft Red Herring Prospectus relating to India, the Indian economy and our industry has been based on various government publications and reports from government agencies that we believe are reliable, we cannot guarantee the quality or reliability of such materials. While we have taken reasonable care in the reproduction of such information, industry facts and other statistics have not been prepared or independently verified by us or any of our respective affiliates or advisors and, therefore we make no representation as to their accuracy or completeness. These facts and other statistics include the facts and statistics included in the chapter titled “***Our Industry***” beginning on page 120 of this Draft Red Herring Prospectus. Due to possibly flawed or ineffective data collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere.

**74. *Global economic, political and social conditions may harm our ability to do business, increase our costs and negatively affect our stock price.***

Global economic and political factors that are beyond our control, influence forecasts and directly affect performance. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, inflation, deflation, foreign exchange fluctuations, consumer credit availability, fluctuations in commodities markets, consumer debt levels, unemployment trends and other matters that influence consumer confidence, spending and tourism. Increasing volatility in financial markets may cause these factors to change with a greater degree of frequency a magnitude, which may negatively affect our stock prices.

**75. *Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares.***

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/ tax clearance certificate from the income tax authority. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all.

**76. *Natural calamities could have a negative impact on the Indian economy and cause Our Company’s business to suffer.***

India has experienced natural calamities such as earthquakes, tsunamis, floods etc. In recent years, the extent and severity of these natural disasters determine their impact on the Indian economy. Prolonged spells of abnormal rainfall or other natural calamities could have a negative impact on the Indian economy, which could adversely affect our business, prospects, financial condition and results of operations as well as the price of the Equity Shares.

**77. *Terrorist attacks, civil unrests and other acts of violence or war involving India or other countries could adversely affect the financial markets, our business, financial condition and the price of our Equity Shares.***

Any major hostilities involving India or other acts of violence, including civil unrest or similar events that are beyond our control, could have a material adverse effect on India’s economy and our business. Incidents such as the terrorist attacks, other incidents such as those in US, Indonesia, Madrid and London, and other acts of violence may adversely affect the Indian stock markets where our Equity Shares will trade as well the global equity markets generally. Such acts could negatively impact business sentiment as well as trade between countries, which could adversely affect our Company’s business and profitability. Additionally, such events could have a material adverse effect on the market for securities of Indian companies, including the Equity Shares.

**78. *Any downgrading of India’s sovereign rating by an independent agency may harm our ability to raise financing.***

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such

additional financing may be available. This could have an adverse effect on our business and future financial performance, our ability to obtain financing for capital expenditures and the trading price of our Equity Shares.

**79. *Our business and activities are regulated by the Competition Act.***

The Competition Act, 2002 (the “Competition Act”) was enacted for the purpose of preventing practices having an adverse effect on competition in India and has mandated the Competition Commission of India (the “CCI”) to regulate such practices. Under the Competition Act, any arrangement, understanding or action, whether formal or informal, which causes or is likely to adversely affect competition in India is void and may result in substantial penalties. Any agreement among competitors which directly or indirectly determines purchase or sale prices, directly or indirectly results in bid rigging or collusive bidding, limits or controls production, supply, markets, technical development, investment or the provision of services, or shares the market or source of production or provision of services in any manner, including by way of allocation of geographical area or types of goods or services or number of clients in the relevant market or any other similar way, is presumed to adversely affect competition in the relevant market in India and shall be void. The Competition Act also prohibits the abuse of dominant position by any enterprise. Further, if it is proved that any contravention committed by a company took place with the consent or connivance or is attributable to any neglect on the part of, any director, manager, secretary or other officer of such company, that person shall be guilty of the contravention and may be punished.

Consequently, all agreements entered by us may fall within the purview of the Competition Act. Further, the CCI has extraterritorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination adversely affects competition in India. The applicability of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, may adversely affect our business, results of operations and prospects.

**80. *We may not receive final listing and trading approvals from the Stock Exchanges and you will not be able to sell immediately on an Indian Stock Exchange any of the Equity Shares you are allotted in the Offer.***

Under the SEBI ICDR Regulations, we are permitted to list the Equity Shares within three working days of the Bid / Offer Closing Date. Consequently, the Equity Shares you purchase in the Offer may not be credited to your dematerialized electronic account with Depository Participants until approximately three working days after the Bid / Offer Closing Date. You can start trading in the Equity Shares only after they have been credited to your dematerialized electronic account and final listing and trading approvals are received from the Stock Exchanges.

Further, there can be no assurance that the Equity Shares allocated to you will be credited to your dematerialized electronic account, or that trading in the Equity Shares will commence within the specified time periods. In addition, pursuant to India regulations, certain actions are required to be completed before the Equity Shares can be listed and trading may commence. Investors’ book entry or dematerialized electronic accounts with Depository Participants in India are expected to be credited only after the date on which the Offer and allotment is approved by our Board of Directors. There can be no assurance that the Equity Shares allocated to prospective Investors will be credited to their dematerialized electronic accounts, or that trading will commence on time after allotment has been approved by our Board of Directors, or at all.

## SECTION IV: INTRODUCTION

### THE OFFER

Present Issue in Terms of this Draft Red Herring Prospectus:

Particulars	No. of Equity Shares
Equity Shares Offered through Public Offer <sup>(1)(2)</sup>	Issue of upto 25,39,800* Equity Shares of face value of ₹ 10.00 each fully paid of the Company for cash at price of ₹ [●] per Equity Share aggregating to ₹ [●] Lakhs
<b><i>The Offer consists of:</i></b>	
Fresh Issue	Up to 23,24,800 Equity Shares of face value of ₹10/- each fully paid up for cash at a price of ₹ [●] per Equity Share aggregating ₹ [●] Lakhs
Offer for Sale <sup>(3)</sup>	Up to 2,15,000 Equity Shares of face value of ₹10/- each fully paid up for cash at a price of ₹ [●] per Equity Share aggregating ₹ [●] Lakhs
<b><i>Out of Which:</i></b>	
Reserved for Market Maker	Upto [●] Equity Shares of face value of ₹ 10.00 each fully paid of the Company for cash at price of ₹ [●] per Equity Share aggregating ₹ [●] Lakhs
Net Offer to the Public	Upto [●] Equity Shares of face value of ₹ 10.00 each fully paid of the Company for cash at price of ₹ [●] per Equity Share aggregating ₹ [●] Lakhs
<b><i>Of which:</i></b>	
A. QIB Portion <sup>(4)(5)</sup>	Not more than [●] Equity Shares (not more the 50%) aggregating up to ₹ [●] lakhs
<b><i>Of which:</i></b>	
i) Anchor Investor Portion	Upto [●] Equity Shares aggregating up to ₹ [●] lakhs
ii) Net QIB Portion	Upto [●] Equity Shares aggregating up to ₹ [●] lakhs
<b><i>Of which:</i></b>	
a) Available for allocation to Mutual Funds only (5% of the Net QIB Portion)	[●] Equity Shares aggregating up to ₹ [●] lakhs
b)Balance of QIB Portion for all QIBs including Mutual Funds	[●] Equity Shares aggregating up to ₹ [●] lakhs
B. Non-Retail Investors Portion	Not less than [●] Equity Shares aggregating up to ₹ [●] lakhs
C. Retail Investors Portion	Not less than [●] Equity Shares aggregating up to ₹ [●] lakhs
<b><i>Pre and Post Issue Share Capital of our Company:</i></b>	
Equity Shares outstanding prior to the Offer	72,52,380 Equity Shares
Equity Shares outstanding after the Offer	[●] Equity Shares
Use of Offer Proceeds	For details, please refer chapter titled ' <i>Objects of the Offer</i> ' beginning on page 93 of this Draft Red Herring Prospectus.

\* Subject to finalization of the Basis of Allotment Number of shares may need to be adjusted for lot size upon determination of Offer price.

#### Notes:

- The Offer is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. This offer is being made by our company in terms of Regulation of 229 (1) of SEBI ICDR Regulations read with Rule 19(2)(b)(i) of SCRR wherein not less than 25% of the post-issue paid up equity share capital of our company are being offered to the public for subscription.
- The Offer has been authorized by the Board of Directors vide a resolution passed at its meeting held on September 21, 2024 and by the Shareholder of our Company, vide a special resolution passed pursuant to Section 62(1)(c) of the Companies Act, 2013 at the Extra-Ordinary General Meeting held on September 23, 2024.
- Selling Shareholder has confirmed that the Offered Shares have been held by such Selling Shareholders for a period of at least one year immediately preceding the date of this Draft Red Herring Prospectus and are accordingly eligible for being offered for sale in the Offer in compliance with the SEBI ICDR Regulations. Further, Selling Shareholder has confirmed that their respective Offered Shares are compliant with Regulation 8 of the SEBI ICDR Regulations. For further information, see "*Capital Structure*" on page 78 of this Draft Red Herring Prospectus. Selling

Shareholder has consented to the inclusion of their respective portion of the Offered Shares in the Offer for Sale as follows:

Name of the Selling Shareholder	Number of Equity Shares held	Number of Equity Shares Offered	Authorisation Letter dated	Consent Letter dated
Mr. Manish Bajoria	36,95,280	2,15,000	January 07, 2025	January 07, 2025

4. The SEBI ICDR Regulations permit the Offer of securities to the public through the Book Building Process, which states that, not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders out of which (a) one third of such portion shall be reserved for applicants with application size of more than ₹200,000 and up to ₹1,000,000; and (b) two third of such portion shall be reserved for applicants with application size of more than ₹1,000,000, provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders and not less than 35% of the Net Offer shall be available for allocation on a proportionate basis to Retail Individual Bidders and not more than 50% of the Net Offer shall be allotted on a proportionate basis to QIBs, subject to valid Bids being received at or above the Offer Price. Accordingly, we have allocated the Net Offer i.e., not more than 50% of the Net Offer to QIB and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Investors and not less than 15% of the Net Offer shall be available for allocation to Non-Institutional bidders.
5. Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the Book Running Lead Manager and the Designated Stock Exchange, subject to applicable laws. Our Company may, in consultation with the Book Running Lead Manager, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor.
6. Our Company and the Selling Shareholder may, in consultation with the Book Running Lead Manager, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allotment in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For further details, please refer section titled ***“Issue Procedure”*** beginning on page 275 of this Draft Red Herring Prospectus.

**SUMMARY OF FINANCIAL STATEMENTS**

<b>ARC INSULATION AND INSULATORS LIMITED</b> <b>(Formerly Known as ARC INSULATION AND INSULATORS PRIVATE LIMITED)</b> <b>CIN : U18109WB2008PLC129263</b>					
<b>RESTATED STATEMENT OF ASSETS &amp; LIABILITIES</b>					
<b>Amount (₹ In Lakhs, unless otherwise stated)</b>					
Sr.No	Particulars	As at 31.10.2024	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
<b>I</b>	<b>EQUITY AND LIABILITIES</b>				
1	Shareholders Funds				
	(a) Share Capital	725.24	171.30	171.30	171.30
	(b) Reserves & Surplus	1,400.26	1,073.98	463.58	199.77
2	Non-current liabilities				
	(a) Long-Term Borrowings	126.55	156.14	290.01	225.31
	(b) Long-Term Provisions	20.01	20.45	16.22	12.46
	(c) Deferred Tax Liabilities (net)	-	-	-	-
3	Current Liabilities				
	(a) Short-Term Borrowings	47.44	76.62	245.83	183.86
	(b) Trade Payables:				
	(A) total outstanding dues of micro, small and medium enterprises; and	-	-	-	-
	(B) total outstanding dues of creditors other than micro, small and medium enterprises	641.86	477.31	331.58	329.10
	(c) Other Current Liabilities	88.42	60.23	225.50	95.72
	(d) Short-Term Provisions	113.03	159.51	83.27	4.31
	<b>TOTAL</b>	<b>3,162.80</b>	<b>2,195.53</b>	<b>1,827.28</b>	<b>1,221.84</b>
<b>II</b>	<b>ASSETS</b>				
1	Non-Current Assets				
	(a) Property, Plant & Equipment & Intangible Assets				
	(i) Property, Plant and Equipment	682.88	646.81	532.65	457.59
	(ii) Intangible Assets	-	-	-	-
	(b) Non-Current Investments	239.28	89.17	68.98	31.83
	(c) Deferred Tax Assets (net)	8.46	16.07	14.51	13.66
	(d) Other Non-Current Assets	354.85	338.04	17.45	30.89
2	Current Assets				
	(a) Inventories	607.66	558.62	430.52	328.60
	(b) Trade Receivables	1,095.41	446.75	651.88	212.13
	(c) Cash and Cash Equivalents	64.00	37.09	4.65	7.34
	(d) Short-Term Loans and Advances	108.73	48.22	96.17	112.33
	(e) Other Current Assets	1.54	14.76	10.47	27.45
	<b>TOTAL</b>	<b>3,162.80</b>	<b>2,195.53</b>	<b>1,827.28</b>	<b>1,221.84</b>

<b>ARC INSULATION AND INSULATORS LIMITED</b> (Formerly Known as ARC INSULATION AND INSULATORS PRIVATE LIMITED) CIN: U18109WB2008PLC129263				
<b>RESTATED STATEMENT OF PROFIT &amp; LOSS</b>				
<b>Amount (₹ In Lakhs, unless otherwise stated)</b>				
<b>Particulars</b>	<b>For the period from 01-04-2024 to 31-10-2024</b>	<b>For the year ended 31.03.2024</b>	<b>For the year ended 31.03.2023</b>	<b>For the year ended 31.03.2022</b>
I. Revenue from Operations	1,887.32	2,845.47	2,398.25	1,154.17
II. Other Income	7.86	37.90	49.76	18.39
<b>III. Total Income (I + II)</b>	<b>1,895.19</b>	<b>2,883.37</b>	<b>2,448.01</b>	<b>1,172.56</b>
<b>IV. Expenses:</b>				
Cost of Material Consumed	982.31	1,618.87	1,515.04	881.25
Changes in Inventories of Finished goods	(5.46)	(148.38)	53.98	(36.71)
Employee Benefits Expense	81.03	107.87	98.39	84.02
Finance Costs	24.33	41.21	53.64	44.20
Depreciation and Amortisation Expense	55.08	86.07	72.37	59.26
Other Expenses	85.13	361.87	301.91	101.08
<b>IV. Total Expenses</b>	<b>1,222.43</b>	<b>2,067.52</b>	<b>2,095.34</b>	<b>1,133.10</b>
<b>V. Profit before exceptional and extraordinary items and tax (III - IV)</b>	<b>672.76</b>	<b>815.85</b>	<b>352.68</b>	<b>39.46</b>
<b>VI. Exceptional items &amp; Extraordinary Items</b>				
-Prior Period Items (Gratuity expenses for earlier years)	-	-	-	10.80
<b>VII. Profit before tax (V- VI)</b>	<b>672.76</b>	<b>815.85</b>	<b>352.68</b>	<b>28.67</b>
<b>VIII. Tax expense:</b>				
Current Tax	161.94	207.01	89.72	11.43
Deferred Tax	7.61	(1.56)	(0.85)	(6.61)
Total Tax Expense	169.55	205.45	88.87	4.82
<b>IX . Profit (Loss) for the period (VII-VIII)</b>	<b>503.21</b>	<b>610.40</b>	<b>263.81</b>	<b>23.85</b>
<b>X. Earnings per equity share: (Amount in Rs.)</b>				
(1) Basic	7.28	8.91	3.85	0.51
(2) Diluted	7.28	8.91	3.85	0.51



**ARC INSULATION AND INSULATORS LIMITED**  
**(Formerly Known as ARC INSULATION AND INSULATORS PRIVATE LIMITED)**  
**CIN : U18109WB2008PLC129263**  
**RESTATED CASH FLOW STATEMENT**

Amount (₹ In Lakhs, unless otherwise stated)

PARTICULARS	For the period from 01-04-2024 to 31-10-2024	For the year ended 31.03.2024	For the year ended 31.03.2023	For the year ended 31.03.2022
<b>A CASH FLOW FROM OPERATING ACTIVITIES:</b>				
Net Profit before tax	672.76	815.85	352.68	28.67
Depreciation & Amortisation	55.08	86.07	72.37	59.26
Interest Paid	24.33	41.21	53.64	44.20
Interest Income	(4.76)	(4.69)	(2.28)	(1.43)
Changes in long term provision of employee benefit	(0.44)	4.23	3.75	12.46
Prior Period Items	-	-	-	-
<b>Operating Profit before Working Capital Changes</b>	<b>746.97</b>	<b>942.67</b>	<b>480.12</b>	<b>143.16</b>
<b>Adjusted for:</b>				
Inventories	(49.04)	(128.11)	(101.92)	(36.19)
Trade receivables	(648.66)	205.13	(439.75)	(12.68)
Short Term Loans & Advances	(60.51)	47.94	16.17	19.20
Other Current Assets	13.22	(4.29)	16.98	(22.91)
Trade Payable	164.55	145.73	2.48	165.76
Other Current Liabilities	28.19	(165.27)	129.78	39.04
Short term provision	(46.48)	76.24	78.96	(35.00)
	<b>(598.73)</b>	<b>177.38</b>	<b>(297.30)</b>	<b>117.22</b>
Cash generated/(used) From Operations	<b>148.24</b>	<b>1,120.06</b>	<b>182.82</b>	<b>260.38</b>
Income Tax Paid	184.59	207.01	89.72	16.44
<b>Net Cash generated/(used in) from Operating Activities (A)</b>	<b>(36.34)</b>	<b>913.05</b>	<b>93.11</b>	<b>243.94</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES:</b>				
Increase/(Decrease) in Non-Current Investments	(150.11)	(20.19)	(37.15)	(6.46)
Purchase of plant & equipment	(91.15)	(200.23)	(147.44)	(89.54)
Interest Income	4.76	4.69	2.28	1.43
Sale of Fixed assets	-	-	-	-
(Increase)/Decrease in Non-Current Assets	(16.81)	(320.58)	13.44	(30.89)
<b>Net Cash used in Investing Activities (B)</b>	<b>(253.31)</b>	<b>(536.32)</b>	<b>(168.82)</b>	<b>(125.46)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES:</b>				
Increase in share capital	420.32	-	-	-
Net Proceeds/(Repayment) from long term borrowing	(29.59)	(133.87)	64.69	(77.18)
Net Proceeds/(Repayment) of short term borrowing	(29.18)	(169.21)	61.97	3.56
Issue related expenses	(20.66)	-	-	-
Finance Cost	(24.33)	(41.21)	(53.64)	(44.20)
<b>Net Cash used in Financing Activities (C)</b>	<b>316.56</b>	<b>(344.29)</b>	<b>73.02</b>	<b>(117.83)</b>
Net Increase/(Decrease) in Cash and Cash Equivalents	26.91	32.44	(2.69)	0.65
Cash and Cash Equivalents at the beginning of the year	37.09	4.65	7.34	6.69

Cash and Cash Equivalents at the end of the year	<b>64.00</b>	<b>37.09</b>	<b>4.65</b>	<b>7.34</b>
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Note :-

1. Components of Cash & Cash Equivalent Amount (₹ In Lakhs, unless otherwise stated)

Particulars	For the period from 01-04-2024 to 31-10-2024	For the year ended 31.03.2024	For the year ended 31.03.2023	For the year ended 31.03.2022
a. Balances with banks	12.04	2.10	2.10	0.51
b. Balance in CC Account	17.35	13.79	-	-
c. FD with banks	-	-	-	-
d. Cash in hand	34.61	21.20	2.54	6.83
<b>Total</b>	<b>64.00</b>	<b>37.09</b>	<b>4.65</b>	<b>7.34</b>

2. The above cash flow statement has been prepared under the indirect method set out in AS-3 issued by the Institute of Chartered Accountants of India.

3. Figures in Brackets represents outflow.

## SECTION V: GENERAL INFORMATION

Our Company was originally incorporated on September 10, 2008, as a Private Limited Company in the name of “ARC Insulation & Insulators Private Limited” under the provisions of the Companies Act, 1956 bearing Corporate Identification Number U18109WB2008PTC129263 issued by the Deputy Registrar of Companies, West Bengal. Further, our Company acquired the running business on a going concern basis with the assets and liabilities of M/s ARC Insulation & Insulators, sole proprietorship concern of our promoter Mr. Manish Bajoria vide Business Transfer Agreement dated and effective from June 01, 2009. Subsequently, pursuant to a Special Resolution of our Shareholders passed in the Extra-Ordinary General Meeting held on June 11, 2024, our Company was converted from a Private Limited Company to Public Limited Company and consequently, the name of our Company was changed to ‘ARC Insulation & Insulators Limited’ and a Fresh Certificate of Incorporation consequent to Conversion was issued on August 5, 2024 bearing Corporate Identification Number U18109WB2008PLC129263 issued by the Registrar of Companies, Central Processing Centre.

For details in relation to the incorporation, Registered Office and other details, please refer to the chapter titled “*Our History and Certain Other Corporate Matters*” beginning on 180 of this Draft Red Herring Prospectus.

BRIEF COMPANY AND OFFER INFORMATION	
<b>Registration Number</b>	129263
<b>Corporate Identification Number</b>	U18109WB2008PLC129263
<b>Date of Incorporation as Private Limited Company</b>	September 10, 2008
<b>Date of Incorporation as Public Limited Company</b>	August 5, 2024
<b>Address of Registered Office</b>	Village - Ramdevpur, PO-Bawali, Bishnupur 2, Parganas South, Bishnupur, West Bengal-743384, India. <b>Contact No.:</b> +91 6293761074 <b>Email:</b> info@arcinsulations.com <b>Website:</b> www.arcinsulations.com
<b>Address of Registrar of Companies</b>	<b>Registrar of Companies, Kolkata</b> Nizam Palace, 2nd MSO Building, 2nd Floor, 234/4, A.J.C.B. Road, Kolkata-700020, West Bengal. <b>Contact No.:</b> 033-22877390 <b>Email:</b> roc.kolkata@mca.gov.in <b>Website:</b> www.mca.gov.in
<b>Designated Stock Exchange</b>	<b>Emerge Platform of National Stock Exchange of India Limited (“NSE Emerge”)</b> Exchange Plaza, C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400051, Maharashtra, India. <b>Website:</b> www.nseindia.com <b>Contact No.:</b> 022-2659 8100/ 2659 8114 / 66418100 <b>Fax No.:</b> 022 2659 8120
<b>Issue Programme</b>	Anchor Portion Offer Opens / Closes on: [●] Offer Opens on: [●] Offer Closes on: [●]
<b>Chief Financial Officer</b>	<b>Mr. Manish Bajoria</b> Village - Ramdevpur, PO-Bawali, Bishnupur 2, Parganas South, Bishnupur, West Bengal-743384, India. <b>Contact No.:</b> +91 6293761074 <b>Email:</b> cfo@arcinsulations.com <b>Website:</b> <a href="http://www.arcinsulations.com">www.arcinsulations.com</a>
<b>Company Secretary and Compliance Officer</b>	<b>Ms. Shraddha Dhacholia</b> Village - Ramdevpur, PO-Bawali, Bishnupur 2, Parganas South, Bishnupur, West Bengal-743384, India. <b>Contact No.:</b> +91 6293761075 <b>Email:</b> cs@arcinsulations.com <b>Website:</b> www.arcinsulations.com

## OUR BOARD OF DIRECTORS

Details regarding our Board of Directors as on the date of this Draft Red Herring Prospectus are set forth in the table hereunder:

Name	Designation	Address	DIN
Mr. Manish Bajoria	Managing Director	S/O: Gopal Bajoria, Tower-1, Flat-25B, South City, 375 Prince Anwar Shah Road, Jodhpur Park, Kolkata-700068, West Bengal	02203237
Ms. Neelam Bajoria	Executive Director	W/O: Manish Bajoria, Tower-1, Flat-25B, South City, 375 Prince Anwar Shah Road, Jodhpur Park, Kolkata-700068, West Bengal	02250051
Mr. Ashish Bajoria	Non-Executive Director	1/2 Harish Mukherjee Road, Lala Lajpathrai Sarani, L.R. Sarani, Kolkata-700020, West Bengal	10662463
Ms. Chetna Gupta	Independent Director	25, Chinar Park, Destiny Tower, Flat No. 5 B, Rajarhat, Gopalpur(M), North 24 Parganas, West Bengal-700157	02212440
Ms. Suruchi Jain Virendra Kumar Jain	Independent Director	30, Perumal Street, Kalaimagal School, Backside, Erode, Tamilnadu-638001	10205026

For detailed profile of our directors, refer “**Our Management**” on page 185 respectively of this Draft Red Herring Prospectus.

## INVESTOR GRIEVANCES

**Investors may contact our Company Secretary and Compliance Officer and / or the Registrar to the Offer and / or the Book Running Lead Manager, in case of any pre-issue or post-issue related problems, such as non-receipt of letters of allotment, credit of allotted Equity Shares in the respective beneficiary account or refund orders, etc.**

All grievances in relation to the application through ASBA process may be addressed to the Registrar to the Offer, with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted, giving details such as the full name of the sole or First Applicant, ASBA Form number, Applicants DP ID, Client ID, PAN, number of Equity Shares applied for, date of submission of ASBA Form, address of Bidder, the name and address of the relevant Designated Intermediary, where the ASBA Form was submitted by the Bidder, ASBA Account number in which the amount equivalent to the Bid Amount was blocked and UPI ID used by the Retail Individual Investors. Further, the Bidder shall enclose the Acknowledgment Slip from the Designated Intermediaries in addition to the documents or information mentioned hereinabove.

For all Offer related queries and for redressal of complaints, Applicants may also write to the Book Running Lead Manager. All complaints, queries or comments received by Stock Exchange / SEBI shall be forwarded to the Book Running Lead Manager, who shall respond to the same.

All grievances relating to the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as name of the sole or first Applicant, Bid cum Application Form number, Applicants DP ID, Client ID, PAN, date of the Anchor Investor Application Form, address of the Applicant, number of Equity Shares applied for, Bid Amount paid on submission of the Anchor Investor Application Form and the name and address of the relevant Book Running Lead Manager where the Anchor Investor Application Form was submitted by the Anchor Investor. For all Offer related queries and for redressal of complaints, investors may also write to the Book Running Lead Manager.

## DETAILS OF KEY INTERMEDIARIES PERTAINING TO THIS OFFER DOCUMENT OF OUR COMPANY

BOOK RUNNING LEAD MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
<b>GRETEX CORPORATE SERVICES LIMITED</b> A-401, Floor 4th, Plot FP-616, (PT), Naman Midtown, Senapati Bapat Marg, Near Indiabulls, Dadar (W), Delisle Road, Mumbai-400013, Maharashtra, India. <b>Contact No.:</b> +91 93319 26937 <b>Email:</b> info@gretexgroup.com <b>Website:</b> www.gretexcorporate.com <b>Contact Person:</b> Mr. Pradip Agarwal <b>SEBI Registration No.:</b> INM000012177 <b>CIN:</b> L74999MH2008PLC288128	<b>MAASHITLA SECURITIES PRIVATE LIMITED</b> 451, Krishna Apra Business Square, Netaji Subhash Place, Pitampura, Delhi - 110034, India <b>Contact No.:</b> +91-11-47581432; <b>Email:</b> investor.ipo@maashitla.com <b>Investor Grievance Email:</b> investor.ipo@maashitla.com <b>Website:</b> www.maashitla.com <b>Contact Person:</b> Mr. Mukul Agrawal <b>SEBI Registration No.:</b> INR000004370 <b>CIN:</b> U67100DL2010PTC208725
LEGAL ADVISOR TO THE OFFER	STATUTORY AUDITOR OF THE COMPANY
<b>Zenith India Lawyers</b> D-49, First Floor, Sushant Lok III Extension Sector 57 Gurugram Haryana-122003, India. <b>Mobile No.:</b> +91 9899016169 <b>Email:</b> raj@zilawyers.com	<b>M/s. Vineet Kedia &amp; Co., Chartered Accountants,</b> 26D, RNR Tower, 4 <sup>th</sup> floor UPC Road, Kankurgachi Kolkata- 700054, West Bengal. <b>Contact No.:</b> +91 6291554269 <b>E-mail:</b> cavineetkedia@gmail.com

<b>Website:</b> <a href="http://www.zilawyers.com">www.zilawyers.com</a> <b>Contact Person:</b> Ms. Raj Rani Bhalla	<b>Contact Person:</b> Mr. Vineet Kumar Kedia <b>Membership No.:</b> 063294 <b>Firm Registration No.:</b> 0325806E
<b>PEER REVIEW AUDITOR</b>	<b>BANKERS TO THE COMPANY</b>
<b>M/s. Jay Gupta &amp; Associates, Chartered Accountants</b> 23, Gangadhar Babu Lane, Imax Lohia Square, 3rd Floor, Unit No. 3A, Kolkata - 700 012, West Bengal, India <b>Telephone:</b> +91 98364 32639 <b>Email:</b> guptaagarwal.associate@gmail.com <b>Contact Person:</b> Mr. Jay Shanker Gupta <b>Membership No:</b> 059535 <b>Firm Registration No.:</b> 329001E <b>Peer Review No.:</b> 017534	<b>State Bank of India</b> SME Ballygunge Branch, 5 <sup>th</sup> Floor, 50 A Gariahat Road, Kolkata – 700019, West Bengal, India <b>Contact No.:</b> +91 9674712069; <b>Email:</b> sbi.04140@sbi.co.in / subrata.das1@sbi.co.in <b>Website:</b> <a href="https://bank.sbi">https://bank.sbi</a> <b>Contact Person:</b> Mr. Subrata Das
<b>BANKER TO THE OFFER / SPONSOR BANK*</b>	<b>SYNDICATE MEMBER*</b>
[•]	[•]

*\*The Banker to the Offer (Sponsor Bank) and Syndicate Member shall be appointed prior to filing of the Red Herring Prospectus with the Registrar of Companies.*

#### CHANGES IN AUDITORS DURING LAST THREE FINANCIAL YEARS

There has been no change in the statutory auditor of our Company during the last 3 years.

#### SELF-CERTIFIED SYNDICATE BANKS

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is provided on the website of the SEBI (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>; <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35>) and updated from time to time. For details on Designated Branches of SCSBs collecting the Bid-cum-Application Forms, refer to the above-mentioned SEBI link.

Further, as notified by SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019; the applications through UPI in IPOs can be made only through the SCSBs / mobile applications whose name appears on the SEBI website [www.sebi.gov.in](http://www.sebi.gov.in) at the following path: Home >> Intermediaries / Market Infrastructure Institutions >> Recognized intermediaries >> Self Certified Syndicate Banks eligible as Issuer Banks for UPI.

Investor shall ensure that when applying in IPO using UPI, the name of their Bank appears in the list of SCSBs displayed on the SEBI website which are live on UPI. Further, he / she shall also ensure that the name of the app and the UPI handle being used for making the application is also appearing in the aforesaid list.

#### SYNDICATE SCSB BRANCHES

In relation to ASBA Bids submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>) and updated from time to time. For more information on such branches collecting Bid-cum-Application Forms from the Syndicate at Specified Locations, refer to the above-mentioned SEBI link.

## INVESTORS BANKS OR ISSUER BANKS FOR UPI

In accordance with UPI Circulars, RIIs Applying via UPI Mechanism may apply through the SCSBs and mobile applications, whose names appear on the website of SEBI (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=41>), as updated from time to time. A list of SCSBs and mobile applications, which are live for applying in public issues using UPI mechanism is provided as 'Annexure A' to the SEBI circular, bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019.

## REGISTERED BROKERS

The list of the Registered Brokers eligible to accept ASBA forms, including details such as postal address, telephone number and e-mail address, is provided on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>, respectively, as updated from time to time.

## REGISTRAR AND SHARE TRANSFER AGENTS

The list of the RTAs eligible to accept Applications forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the website of the SEBI on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=10>, as updated from time to time.

## COLLECTING DEPOSITORY PARTICIPANTS

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, is provided on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=19> for National Securities Depository Limited CDPs and at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=18> for Central Depository Services (India) Limited CDPs as updated from time to time. The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the Bid cum Application Forms from the Designated Intermediaries will be available on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) and updated from time to time.

## BROKERS TO THE OFFER

All members of the recognized stock exchanges would be eligible to act as Brokers to the Offer.

## STATEMENT OF RESPONSIBILITY OF THE BOOK RUNNING LEAD MANAGER / STATEMENT OF INTER SE ALLOCATION OF RESPONSIBILITIES

Since Gretex Corporate Services Limited is the sole Book Running Lead Manager to this Offer, a statement of inter se allocation of responsibilities amongst Book Running Lead Manager is not required.

## CREDIT RATING

This being an Issue of Equity Shares, there is no requirement of credit rating for the Offer.

## IPO GRADING

Since the Offer is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, there is no requirement of appointing an IPO Grading Agency.

## EXPERT OPINION

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent from Peer Review Auditor namely, M/s. Jay Gupta and Associates (*formerly Gupta Agarwal & Associates*), to include their name as required under Section 26(5) of the Companies Act 2013 read with SEBI ICDR Regulations in this Draft Red Herring Prospectus as an "expert" as defined under Section 2(38) of the Companies Act 2013 to the extent and in respect of its (i) examination report dated January 07, 2025 on our Restated Financial Information; and (ii) its report dated January 07, 2025 on the statement of Special Tax Benefits in this Draft Red Herring Prospectus. The aforementioned consents have not been withdrawn as on the date of this Draft Red Herring

Prospectus. Further, has received written consent from Statutory Auditor namely, Vineet Kedia & Co., Chartered Accountants to include their name as Statutory Auditor of the Company.

However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

## **TRUSTEES**

This is an Offer of equity shares hence appointment of trustees is not required.

## **DEBENTURE TRUSTEES**

As this is an Offer of Equity Shares, the appointment of Debenture trustees is not required.

## **MONITORING AGENCY**

As per Regulation 262(1) of the SEBI (ICDR) Regulations, 2018 as amended, the requirement of Monitoring Agency is not mandatory if the Offer size is below ₹ 10,000 Lakhs.

Pursuant to Regulation 32(3) of the SEBI (LODR) Regulations, 2015, our Company shall on a half yearly basis disclose to the Audit Committee the uses and application of the Net Proceeds. Until such time as any part of the Net Proceeds remains unutilized, our Company will disclose the utilization of the Net Proceeds under separate heads in our Company’s balance sheet(s) clearly specifying the amount of and purpose for which Net Proceeds have been utilized so far, and details of amounts out of the Net Proceeds that have not been utilized so far, also indicating interim investments, if any, of such unutilized Net Proceeds. In the event that our Company is unable to utilize the entire amount that we have currently estimated for use out of the Net Proceeds in a fiscal, we will utilize such unutilized amount in the next fiscal.

Further, in accordance with Regulation 32(1)(a) of the SEBI (LODR) Regulations, 2015, our Company shall furnish to the Stock Exchanges on a half yearly basis, a statement indicating material deviations, if any, in the utilization of the Net Proceeds for the objects stated in this Draft Red Herring Prospectus.

## **GREEN SHOE OPTION**

No Green Shoe Option is applicable for this Offer.

## **APPRAISAL AGENCY**

Our Company has not appointed any appraising agency for appraisal of the Project

## **FILING OF OFFER DOCUMENT**

The Draft Red Herring Prospectus is being filed with Emerge Platform of National Stock Exchange India Limited (“NSE Emerge”) Exchange Plaza, C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051, Maharashtra, India.

The Draft Red Herring Prospectus will not be filed with SEBI, nor will SEBI issue any observation on the Offer Document in terms of Regulation 246(2) of SEBI (ICDR) Regulations, 2018. Pursuant to Regulation 246(5) of SEBI (ICDR) Regulations, 2018 and SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of Red Herring Prospectus / Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>.

A copy of the Red Herring Prospectus / Prospectus, along with the documents required to be filed under Section 26, 28 & 32 of the Companies Act, 2013 will be filed to the Registrar of Companies Office situated at Registrar of Companies, West Bengal, Kolkata, Nizam Palace, 2<sup>nd</sup> MSO Building, 2<sup>nd</sup> Floor, 234/4, A.J.C.B. Road, Kolkata-700020, West Bengal.

## **BOOK BUILDING PROCESS**

Book Building, with reference to the Offer, refers to the process of collection of Bids on the basis of the Red Herring Prospectus within the Price Band. The Price Band shall be determined by our Company, Selling Shareholder in consultation with the Book Running Lead Manager in accordance with the Book Building Process and advertised in all editions of the English national newspaper [●], all editions of Hindi national newspaper [●] and Bengali Edition of Regional newspaper [●] where our registered office is situated, at least two working days prior to the Bid / Offer Opening date. The Offer Price shall be determined by our Company, Selling Shareholder in consultation with the Book Running Lead Manager in accordance with the Book Building Process after the Bid / Offer Closing Date. Principal parties involved in the Book Building Process are: -

- Our Company;
- Selling Shareholder
- The Book Running Lead Manager in this case being Gretex Corporate Services Limited,
- The Syndicate Member(s) who are intermediaries registered with SEBI / registered as brokers with Exchanges and eligible to act as Underwriters. The Syndicate Member(s) will be appointed by the Book Running Lead Manager;
- The Registrar to the Offer and;
- The Designated Intermediaries and Sponsor bank

The SEBI ICDR Regulations have permitted the Offer of securities to the public through the Book Building Process, wherein allocation to the public shall be made as per Regulation 253 of the SEBI ICDR Regulations.

The Offer is being made through the Book Building Process wherein not more than 50% of the Net Offer shall be available for allocation on a proportionate basis to QIBs, provided that our Company may in consultation with the Book Running Lead Manager allocate upto 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI (ICDR) Regulations (the “Anchor Investor Portion”), out of which one third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Offer Price. 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Net Offer shall be available for allocation to Non-Institutional Bidders out of which (a) one third of such portion shall be reserved for applicants with application size of more than ₹200,000 and up to ₹1,000,000; and (b) two third of such portion shall be reserved for applicants with application size of more than ₹1,000,000, provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Bidders, in accordance with the SEBI Regulations, subject to valid Bids being received at or above the Offer Price. All potential Bidders may participate in the Offer through an ASBA process by providing details of their respective bank account which will be blocked by the SCSBs. All Bidders are mandatorily required to utilize the ASBA process to participate in the Offer. Under-subscription if any, in any category, except in the QIB Category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the Book Running Lead Manager and the Designated Stock Exchange.

**All Bidders, except Anchor Investors, are mandatorily required to use the ASBA process for participating in the Offer. In accordance with the SEBI ICDR Regulations, QIBs bidding in the QIB Portion and Non-Institutional Bidders bidding in the Non-Institutional Portion are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise their Bids during the Bid / Offer Period and withdraw their Bids until the Bid / Offer Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid / Offer Period. Allocation to the Anchor Investors will be on a discretionary basis.**

Subject to valid Bids being received at or above the Offer Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for Retail Portion where allotment to each Retail Individual Bidders shall not be less than the minimum bid lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under – subscription, if any, in any category, would be allowed to be met with spill – over from any other category or a combination of categories at the discretion of our Company in consultation with the Book Running Lead Manager and the Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill over from other categories or a combination of categories.

In terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors (except Anchor Investors) applying in a public offer shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self-Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public Offer may use either Application Supported by Blocked Amount (ASBA) facility for making application or also can use UPI as a payment mechanism with Application Supported by Blocked Amount for making application. For details in this regards, specific attention is invited to the chapter titled “*Offer Procedure*” beginning on page 275 of the Draft Red Herring Prospectus.



The process of Book Building under the SEBI ICDR Regulations is subject to change from time to time and the investors are advised to make their own judgment about investment through this process prior to making a Bid or application in the Offer.

For further details on the method and procedure for Bidding, please see section entitled “*Offer Procedure*” on page 275 of this Draft Red Herring Prospectus.

**Illustration of the Book Building and Price Discovery Process:** Bidders should note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes Bidding by Anchor Investors. Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹20.00 to ₹24.00 per share, Offer size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

Bid Quantity	Amount (₹)	Cumulative Quantity	Subscription
500	24.00	500	16.67%
1000	23.00	1500	50.00%
1500	22.00	3000	100.00%
2000	21.00	5000	166.67%
2500	20.00	7500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Offer the desired number of Equity Shares is the price at which the book cuts off, i.e., ₹22.00 in the above example. The Issuer, in consultation with the Book Running Lead Manager, may finalise the Offer Price at or below such Cut-Off Price, i.e., at or below ₹22.00. All Bids at or above this Offer Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

#### Steps to be taken by the Bidders for Bidding:

- Check eligibility for making a Bid (see section titled “*Offer Procedure*” on page 275 of this Draft Red Herring Prospectus);
- Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;
- Ensure correctness of your PAN, DP ID and Client ID mentioned in the Bid cum Application Form. Based on these parameters, the Registrar to the Offer will obtain the Demographic Details of the Bidders from the Depositories.
- Except for Bids on behalf of the Central or State Government officials, residents of Sikkim and the officials appointed by the courts, who may be exempt from specifying their PAN for transacting in the securities market, for Bids of all values ensure that you have mentioned your PAN allotted under the Income Tax Act in the Bid cum Application Form. The exemption for Central or State Governments and officials appointed by the courts and for investors residing in Sikkim is subject to the Depository Participant’s verification of the veracity of such claims of the investors by collecting sufficient documentary evidence in support of their claims.
- Ensure that the Bid cum Application Form is duly completed as per instructions given in this Draft Red Herring Prospectus and in the Bid cum Application Form;

#### Bid / Offer Program:

Event	Indicative Dates
Bid / Offer Opening Date	[●] <sup>(1)</sup>
Bid / Offer Closing Date	[●] <sup>(2)(3)</sup>
Finalization of Basis of Allotment with the Designated Stock Exchange	On or about [●]
Initiation of Allotment / Refunds / Unblocking of Funds from ASBA Account or UPI ID linked bank account	On or about [●]
Credit of Equity Shares to Demat accounts of Allottees	On or about [●]
Commencement of trading of the Equity Shares on the Stock Exchange	On or about [●]

Note:

1. Our Company in consultation with the Book Running Lead Manager may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid / Offer Period shall be one Working Day prior to the Bid / Offer Opening Date in accordance with the SEBI ICDR Regulations.

2. Our Company in consultation with the Book Running Lead Manager, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations. In case of (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) for cancelled / withdrawn / deleted ASBA Forms, the Applicant shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Application Amount, whichever is higher from the date on which the request for cancellation /withdrawal / deletion is placed in the Stock Exchanges Applying platform until the date on which the amounts are unblocked (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Applicant shall be compensated at a uniform rate ₹ 100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Application Amount, the Applicant shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted / partially allotted Application, exceeding four Working Days from the Offer Closing Date, the Applicant shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Application Amount, whichever is higher for the entire duration of delay exceeding four Working Days from the Offer Closing Date by the SCSB responsible for causing such delay in unblocking. The post Offer Book Running Lead Manager shall be liable for compensating the Applicant at a uniform rate of 100 per day or 15% per annum of the Application Amount, whichever is higher from the date of receipt of the Investor grievance until the date on which the blocked amounts are unblocked. For the avoidance of doubt, the provisions of the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021 shall be deemed to be incorporated in the deemed agreement of the Company with the SCSBs to the extent applicable.

The above timetable is indicative and does not constitute any obligation on our Company or the Book Running Lead Manager. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within 3 Working Days of the Bid / Offer Closing Date, the timetable may change due to various factors, such as extension of the Bid / Offer Period by our Company, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws. Bid Cum Application Forms and any revisions to the same will be accepted only between 10.00 A.M. to 5.00 P.M. (IST) during the Offer Period (except for the Bid / Offer Closing Date). On the Bid

/ Offer Closing Date, the Bid Cum Application Forms will be accepted only between 10.00 A.M. to 3.00 P.M. (IST) for retail and non-retail Bidders. The time for applying for Retail Individual Applicant on Bid / Offer Closing Date maybe extended in consultation with the Book Running Lead Manager, RTA and Emerge Platform of National Stock Exchange of India Limited (“NSE Emerge”) taking into account the total number of applications received up to the closure of timings.

Due to the limitation of time available for uploading the Bid Cum Application Forms on the Bid / Offer Closing Date, Bidders are advised to submit their applications one (1) day prior to the Bid / Offer Closing Date and, in any case, not later than 3.00 P.M. (IST) on the Bid / Offer Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bid Cum Application Forms are received on the Bid / Offer Closing Date, as is typically experienced in public Issue, some Bid Cum Application Forms may not get uploaded due to the lack of sufficient time. Such Bid Cum Application Forms that cannot be uploaded will not be considered for allocation under this Issue. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holidays). Neither our Company nor the Book Running Lead Manager is liable for any failure in uploading the Bid Cum Application Forms due to faults in any software / hardware system or otherwise. In accordance with SEBI ICDR Regulations, QIBs and Non-Institutional Applicants are not allowed to withdraw or lower the size of their application (in terms of the quantity of the Equity Shares or the Application amount) at any stage. Retail Individual Applicants can revise or withdraw their Bid Cum Application Forms prior to the Bid / Offer Closing Date. Allocation to Retail Individual Applicants, in this Offer will be on a proportionate basis. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid Cum Application Form, for a particular Applicant, the details as per the file received from Stock Exchange may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Bid Cum Application Form, for a particular ASBA Applicant, the Registrar to the Offer shall ask the relevant SCSBs / RTAs / DPs / stockbrokers, as the case may be, for the rectified data.

Submission of Application Forms:

Offer period (except the Offer Closing Date)	
Submission and Revision of Application Form	Only between 10.00 a.m. to 5.00 p.m. IST
Offer Closing Date	
Submission and Revision of Application Form	Only between 10.00 a.m. to 3.00*# p.m. IST

\*UPI mandate end time and date shall be at 5.00 pm on Offer / Offer Closing Date

# On the Offer Closing Date, the Applications shall be uploaded until:

- Until 4.00 p.m. IST in case of application by QIBs and Non – Institutional Investors and
- Until 5.00 p.m. IST or such extended time as permitted by the Stock Exchange, in case of Retail Individual Investors which may be extended up to such time as deemed fit by the Stock Exchange after taking into account the total number of applications received up to the closure of timings and reported by Book Running Lead Manager to the Stock Exchange.

Due to the limitation of time available for uploading the Bid Cum Application Forms on the Bid / Offer Closing Date, Bidders are advised to submit their applications one (1) day prior to the Bid / Offer Closing Date and, in any case, not later than 3.00 P.M. (IST) on the Bid / Offer Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bid Cum Application Forms are received on the Bid / Offer Closing Date, as is typically experienced in public Offer, some Bid Cum Application Forms may not get uploaded due to the lack of sufficient time. Such Bid Cum Application Forms that cannot be uploaded will not be considered for allocation under this Offer. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holidays). Neither our Company nor the Book Running Lead Manager is liable for any failure in uploading the Bid Cum Application Forms due to faults in any software / hardware system or otherwise.

In accordance with SEBI ICDR Regulations, QIBs and Non-Institutional Applicants are not allowed to withdraw or lower the size of their Application (in terms of the quantity of the Equity Shares or the Application amount) at any stage. Retail Individual Applicants can revise or withdraw their Bid Cum Application Forms prior to the Bid / Offer Closing Date. Allocation to Retail Individual Applicants, in this Offer will be on a proportionate basis.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid Cum Application Form, for a particular Applicant, the details as per the file received from Stock Exchange may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Bid Cum Application Form, for a particular ASBA Applicant, the Registrar to the Offer shall ask the relevant SCSBs / RTAs / DPs / stock brokers, as the case may be, for the rectified data.

#### **WITHDRAWAL OF THE OFFER**

In accordance with the SEBI (ICDR) Regulations, our Company in consultation with Book Running Lead Manager, reserves the right not to proceed with this offer at any time after the Offer Opening Date, but before our Board meeting for Allotment without assigning reasons thereof.

If our Company withdraws the Offer after the Offer Closing Date, we will give reason thereof within two days by way of a public notice which shall be published in the same newspapers where the pre-offer advertisements were published.

Further, the Stock Exchanges shall be informed promptly in this regard and the Book Running Lead Manager, through the Registrar to the Offer, shall notify the SCSBs to unblock the Bank Accounts of the ASBA Applicants within one Working Day from the date of receipt of such notification.

In case our Company withdraws the Offer after the Offer Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh Offer Document with the Stock Exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Offer is also subject to obtaining the final Listing and Trading Approval of the Stock Exchange, which the Company shall apply for after Allotment. In terms of the SEBI Regulations, Non-Retail Applicants shall not be allowed to withdraw their Application after the Offer Closing Date.

#### **UNDERWRITING AGREEMENT**

This Offer is 100% Underwritten. The Underwriting agreement is dated January 07, 2025. Pursuant to the terms of the Underwriting Agreement the obligations of the Underwriters are several and are subject to certain conditions specified therein.

The Underwriter have indicated its intention to underwrite the following number of specified securities being offered through this Offer:

<b>Details of the Underwriter</b>	<b>No. of shares underwritten</b>	<b>Amount Underwritten (₹ in Lakh)</b>	<b>% of the Total Offer Size Underwritten</b>
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<b>Gretex Corporate Services Limited</b> A-401, Floor 4th, Plot FP-616, (PT), Naman Midtown, Senapati Bapat Marg, Near Indiabulls, Dadar (w), Delisle Road, Mumbai, Mumbai - 400013 Maharashtra, India. <b>Contact No.:</b> +91 93319 26937 <b>Email:</b> info@gretexgroup.com <b>Website:</b> www.gretexcorporate.com <b>Contact Person:</b> Mr. Pradip Agarwal <b>SEBI Registration No.:</b> INM000012177 <b>CIN:</b> L74999MH2008PLC288128	[●]	[●]	[●]
<b>Gretex Share Broking Limited</b> A-401, Floor 4th, Plot FP-616, (PT), Naman Midtown, Senapati Bapat Marg, Near Indiabulls, Dadar (w), Delisle Road, Mumbai - 400013 Maharashtra, India. <b>Contact No.:</b> +91 22 6930 8500 <b>Email:</b> compliance@gretexbroking.com <b>Contact Person:</b> Mr. Deepak Navinchandra Shah <b>SEBI Registration No:</b> INZ000166934 <b>Market Maker Member Code:</b> 90287 <b>CIN:</b> U65900MH2010PLC289361	[●]	[●]	[●]
<b>TOTAL</b>	<b>Upto 25,39,800</b>	[●]	[●]

As per Regulation 260(2) of SEBI (ICDR) Regulations, 2018, the Book Running Lead Manager has agreed to underwrite to a minimum extent of 15% of the Offer out of its own account. In the opinion of the Board of Directors (based on the certificate given by the Underwriters), the resources of the above-mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The above-mentioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as broker with the Stock Exchange.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitments set forth in the table above. Notwithstanding the above table, the Book Running Lead Manager shall be responsible for ensuring payment with respect to Equity Shares allocated to investors procured by them. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the underwriting agreement, will also be required to procure / subscribe to Equity Shares to the extent of the defaulted amount. If the Underwriter(s) fails to fulfil its underwriting obligations as set out in the Underwriting Agreement, the Book Running Lead Manager shall fulfil the underwriting obligations in accordance with the provisions of the Underwriting Agreement.

#### DETAILS OF THE MARKET MAKING ARRANGEMENT FOR THIS OFFER

Our Company has entered into Market Making Agreement dated January 07, 2025 with the Book Running Lead Manager, Selling Shareholder and Market Maker to fulfil the obligations of Market Making:

The details of Market Maker are set forth below:

<b>Name</b>	<b>Gretex Share Broking Limited</b>
<b>Address</b>	A-401, Floor 4th, Plot FP-616, (PT), Naman Midtown, Senapati Bapat Marg, Near Indiabulls Dadar (W), S V S Marg, Mumbai- 400013, Maharashtra, India
<b>Contact No.</b>	+91 022 6930 8500
<b>Email</b>	compliance@gretexbroking.com
<b>Contact Person</b>	Mr. Deepak Navinchandra Shah
<b>CIN</b>	U65900MH2010PLC289361
<b>SEBI Registration No.</b>	INZ000166934
<b>Market Maker Member code</b>	90287

Gretex Share Broking Limited, registered with SME Platform of BSE Limited and Emerge Platform of National Stock Exchange of India Limited will act as the Market Maker and has agreed to receive or deliver the specified securities in the Market Making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by amendment to SEBI (ICDR) Regulations.

The Market Maker shall fulfil the applicable obligations and conditions as specified in the SEBI (ICDR) Regulations, and its amendments from time to time and the circulars issued by the Emerge Platform of National Stock Exchange of India Limited (“NSE Emerge”) and SEBI regarding this matter from time to time.

Following is a summary of the key details pertaining to the Market Making Arrangement:

- 1) The Market Maker (individually or jointly) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the Stock Exchange. Further, the Market Maker shall inform the Stock Exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker.
- 2) The prices quoted by Market Maker shall be in compliance with the Market Maker Spread Requirements and other particulars as specified or as per the requirements of the NSE Emerge (Emerge platform of NSE) and SEBI from time to time.
- 3) The Market Maker shall not sell in lots less than the minimum contract size allowed for trading on the Emerge platform of National Stock Exchange of India Limited (in this case currently the minimum trading lot size is [●] equity shares; however, the same may be changed by the Emerge platform of National Stock Exchange of India Limited from time to time).
- 4) The minimum depth of the quote shall be ₹1.00 Lakhs. However, the investors with holdings of value less than ₹1.00 Lakhs shall be allowed to offer their holding to the Market Maker in that scrip provided that they sell their entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
- 5) After a period of three (3) months from the market making period, the market maker would be exempted to provide quote if the Shares of market maker in our Company reaches to 25% (Including the 5% of Equity Shares of the Offer). Any Equity Shares allotted to Market Maker under this Offer over and above 25% of Equity Shares would not be taken in to consideration of computing the threshold of 25%. As soon as the Shares of market maker in our Company reduce to 24%, the market maker will resume providing 2-way quotes.
- 6) There shall be no exemption / threshold on downside. However, in the event the market maker exhausts his inventory through market making process, the concerned stock exchange may intimate the same to SEBI after due verification.
- 7) Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker, for the quotes given by him.
- 8) There would not be more than five Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors. At this stage, Gretex Share Broking Limited is acting as the sole Market Maker.
- 9) The shares of the Company will be traded in continuous trading session from the time and day the company gets listed at Emerge Platform of National Stock Exchange of India Limited (“NSE Emerge”) and Market Maker will remain present as per the guidelines mentioned under the National Stock Exchange of India Limited and SEBI circulars.
- 10) There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily / fully from the market – for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while *force-majeure* will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
- 11) The Market Maker shall have the right to terminate said arrangement by giving a three-month notice or on mutually acceptable terms to the Merchant Banker, who shall then be responsible to appoint a replacement Market Maker.
- 12) In case of termination of the above-mentioned Market Making Agreement prior to the completion of the compulsory Market Making Period, it shall be the responsibility of the Book Running Lead Manager to arrange for another Market Maker(s) in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of Regulation 261 of the SEBI (ICDR) Regulations. Further the Company and the Book Running Lead Manager reserve the right to appoint other Market Maker(s) either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed 5 (five) or as specified by the relevant laws and regulations applicable at that particular point of time. The Market Making Agreement is available for inspection at our Registered Office from 11.00 a.m. to 5.00 p.m. on working days.
- 13) Emerge Platform of National Stock Exchange of India Limited (“NSE Emerge”) will have all margins which are applicable on the NSE Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. National Stock Exchange of India Limited can impose any other margins as deemed necessary from time-to-time.
- 14) Emerge Platform of National Stock Exchange of India Limited (“NSE Emerge”) will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and / or non-compliances. Penalties / fines may be

imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (offering two-way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.

- 15) The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties / fines / suspension for any type of misconduct / manipulation / other irregularities by the Market Maker from time to time.
- 16) Price Band and Spreads: SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for issue size up to ₹250 crores the applicable price bands for the first day shall be:
  - a. In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
  - b. In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the Offer price.

Additionally, the trading shall take place in TFT segment for first 10 days from commencement of trading. The following spread will be applicable on the Emerge Platform of National Stock Exchange of India Limited (“NSE Emerge”).

Sr. No.	Market Price Slab (in ₹)	Proposed Spread (in % to sale price)
1.	Up to 50	9
2.	50 to 75	8
3.	75 to 100	6
4.	Above 100	5

- 1) Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for market maker(s) during market making process has been made applicable, based on the Offer size and as follows:

Offer Size	Buy quote exemption threshold (Including mandatory initial inventory of 5 % of the Offer Size)	Re-Entry threshold for buy quote (including mandatory initial inventory of 5 % of the Offer Size)
Up to ₹ 20 Crores	25%	24%
₹ 20 to ₹ 50 Crores	20%	19%
₹ 50 to ₹ 80 Crores	15%	14%
Above ₹ 80 Crores	12%	11%

- 2) All the above-mentioned conditions and systems regarding the Market Making Arrangement are subject to change based on changes or additional regulations and guidelines from SEBI and Stock Exchange from time to time.

**On the first day of listing, there will be a pre-open session (call auction) and there after trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction. The securities of the Company will be placed in SPOS and would remain in Trade for Trade settlement for 10 days from the date of listing of Equity Shares on the Stock Exchange.**

## SECTION VI: CAPITAL STRUCTURE

The Equity Share Capital of our Company, as on the date of this Draft Red Herring Prospectus and after giving effect to the Offer is set forth below:

Sr. No.	Particulars	Amount	
		₹ in Lakh except share data	
		Aggregate Nominal Value	Aggregate value at Offer Price
<b>A.</b>	<b>Authorised Share Capital <sup>(1)</sup></b>		
	1,50,00,000 Equity Shares of ₹ 10.00 each	1,500.00	-
<b>B.</b>	<b>Issued, Subscribed and Paid-Up Share Capital before the Offer</b>		
	72,52,380 Equity Shares of ₹ 10.00 each	725.24	-
<b>C.</b>	<b>Present Offer in terms of this Draft Red Herring Prospectus <sup>(2)</sup></b>		
	Issue of upto 25,39,800* Equity Shares of ₹ 10.00 each fully paid-up of our Company for cash at a price of ₹ [●] per Equity Share (including premium of ₹ [●] per Equity Share)	[●]	[●]
	<i>Which comprises of:</i>		
	Fresh issue of upto 23,24,800 Equity Shares of face value of ₹10/- each aggregating up to ₹ [●] Lakhs	[●]	[●]
	Offer for Sale of up to 2,15,000 Equity Shares of face value of ₹10/- each aggregating up to ₹ [●] Lakhs	[●]	[●]
	<i>Of which</i>		
	<b>Reservation for Market Maker portion</b>		
	Upto [●] Equity Shares of ₹ 10.00 each fully paid-up of our Company for cash at a price of ₹ [●] per Equity Share (including premium of ₹ [●] per Equity Share)	[●]	[●]
	<b>Net Offer to the Public <sup>(3)</sup></b>		
	Upto [●] Equity Shares of ₹ 10.00 each fully paid-up of our Company for cash at a price of ₹ [●] per Equity Share (including premium of ₹ [●] per Equity Share)	[●]	[●]
	<i>Of which <sup>(2)</sup>:</i>		
	Upto [●] Equity Shares of ₹ 10.00 each fully paid-up of our Company for cash at a price of ₹ [●] per Equity Share (including premium of ₹ [●] per Equity Share) will be available for allocation to Retail Individual Investors of up to ₹ 2.00 Lakh	[●]	[●]
	Upto [●] Equity Shares of ₹ 10.00 each fully paid-up of our Company for cash at a price of ₹ [●] per Equity Share (including premium of ₹ [●] per Equity Share) will be available for allocation to Non-Institutional Investors of above ₹ 2.00 Lakh	[●]	[●]
	Upto [●] Equity Shares of ₹ 10.00 each fully paid-up of our Company for cash at a price of ₹ [●] per Equity Share (including premium of ₹ [●] per Equity Share) will be available for allocation to Qualified Institutional Buyers of above ₹ 2.00 Lakhs	[●]	[●]
<b>F.</b>	<b>Issued, Subscribed and Paid-up Share Capital after the Offer*</b>		
	Upto [●] Equity Shares of ₹ 10.00 each	[●]	-
<b>G.</b>	<b>Securities Premium Account</b>		
	Before the Offer		492.92
	After the Offer		[●]

\*To be included upon finalisation of Offer Price

<sup>(1)</sup>For details in relation to the changes in the authorised share capital of our Company, please refer to section titled “History and Certain Other Corporate Matters – Amendments to our Memorandum of Association” on page 110.

<sup>(2)</sup>The Offer has been authorized by a resolution of our Board of Directors through their meeting dated September 21, 2024 and by a special resolution of our Shareholders at Extra-ordinary General Meeting dated September 23, 2024. The Equity Shares being offered by the Selling Shareholder have been held for a period of at least one year immediately

preceding the date of this Draft Red Herring Prospectus and are eligible for being offered for sale pursuant to the Offer in terms of the SEBI ICDR Regulations. For details on authorisation of the Selling Shareholder in relation to their portion of Offered Shares, please refer to the chapters titled “The Offer” and “Other Regulatory and Statutory Disclosures” on pages 60 and 249 respectively.

<sup>(3)</sup> Allocation to all categories shall be made on a proportionate basis subject to valid Applications received at or above the Offer Price. Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the Book Running Lead Manager and Designated Stock Exchange. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.

## CLASS OF SHARES

As on date of this Draft Red Herring Prospectus, our Company has only one class of shares i.e., Equity Shares of ₹10.00 each. All Equity Shares issued are fully paid up. Our Company does not have any outstanding convertible instruments as on the date of this Draft Red Herring Prospectus.

## NOTES TO CAPITAL STRUCTURE

### 1. Changes in Authorized Equity Share Capital of our Company

Sr. No.	Particulars of increase	Cumulative No. of Equity Shares	Face Value (₹)	Cumulative Authorized Share Capital	Date of Meeting	Whether AGM / EGM
1.	On Incorporation	2,50,000	10.00	25,00,000.00	Incorporation (September 10, 2008)	N.A.
2.	Increase in Authorised Share Capital from ₹25.00 Lakhs divided into 2,50,000 Equity Shares of ₹ 10/- each to ₹100.00 Lakhs divided into 10,00,000 Equity Shares of ₹10/- each	10,00,000	10.00	1,00,00,000.00	November 3, 2009	EGM
3.	Increase in Authorised Share Capital from ₹100.00 Lakhs divided into 10,00,000 Equity Shares of ₹ 10/- each to ₹140.00 Lakhs divided into 14,00,000 Equity Shares of ₹10/- each	14,00,000	10.00	1,40,00,000.00	December 5, 2011	EGM
4.	Increase in Authorised Share Capital from ₹140.00 Lakhs divided into 14,00,000 Equity Shares of ₹ 10/- each to ₹190.00 Lakhs divided into 19,00,000 Equity Shares of ₹10/- each	19,00,000	10.00	1,90,00,000.00	January 24, 2018	EGM
5.	Increase in Authorised Share Capital from ₹190.00 Lakhs divided into 19,00,000 Equity Shares of ₹ 10/- each to ₹1500.00 Lakhs divided into 1,50,00,000 Equity Shares of ₹10/- each	1,50,00,000	10.00	15,00,00,000.00	August 07, 2024	EGM

### 2. History of Issued and Paid-Up Share Capital of our Company

The history of the equity share capital of our Company is set forth below:



Date of allotment	Number of Equity Shares allotted	Face value (₹)	Offer Price (including Premium if applicable) (₹)	Nature of Consideration	Nature of allotment	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)	Cumulative Securities Premium (₹)
Upon Incorporation	10,000	10.00	10.00	Cash	Subscriber to the Memorandum of Association <sup>(i)</sup>	10,000	1,00,000	0.00
June 1, 2009	3,40,000	10.00	10.00	Other than Cash	Allotment pursuant to acquisition of M/s. ARC Insulation and Insulators (Proprietorship firm) <sup>(ii)</sup>	3,50,000	35,00,000	0.00
June 30, 2009	1,75,000	10.00	20.00	Cash	Further Allotment <sup>(iii)</sup>	5,25,000	52,50,000	17,50,000.00
March 15, 2010	1,60,000	10.00	10.00	Cash	Further Allotment <sup>(iv)</sup>	6,85,000	68,50,000	17,50,000.00
December 31, 2011	5,58,220	10.00	10.00	Cash	Further Allotment <sup>(v)</sup>	12,43,220	1,24,32,200	17,50,000.00
March 31, 2012	75,000	10.00	100.00	Cash	Further Allotment <sup>(vi)</sup>	13,18,220	1,31,82,200	85,00,000.00
February 2, 2018	3,94,800	10.00	17.00	Cash	Right Issue <sup>(vii)</sup>	17,13,020	1,71,30,200	1,12,63,600.00
September 18, 2024	51,39,060	10.00	10.00	Other than Cash	Bonus Issue <sup>(viii)</sup>	68,52,080	6,85,20,800	1,12,63,600.00
September 30, 2024	4,00,300	10.00	105.00	Cash	Preference Issue <sup>(ix)</sup>	72,52,380	7,25,23,800	4,92,92,100.00

- i. Initial Subscribers to the Memorandum of Association subscribed 10,000 Equity Shares of Face Value of ₹ 10.00 each, details of which are given below:

Sr. No	Names of Allottees	Number of Equity Shares
1	Mr. Manish Bajoria	5,000
2	Ms. Neelam Bajoria	5,000
	<b>Total</b>	<b>10,000</b>

- ii. Allotment of 3,40,000 Equity Shares on June 1, 2009 having Face Value of ₹10.00 each pursuant to the acquisition of M/s. ARC Insulation and Insulators as per details given below:

Sr. No	Names of Allottees	Number of Equity Shares
1	Mr. Manish Bajoria	2,45,000
2	Ms. Neelam Bajoria	95,000
	<b>Total</b>	<b>3,40,000</b>

\*Pursuant to the Business Transfer Agreement dated June 01, 2009, for the acquisition of the proprietorship firm "M/s. ARC Insulation and Insulators" of our Promoter, Mr. Manish Bajoria, the total consideration of ₹34,00,000.00 has been

settled by issuing 2,45,000 and 95,000 equity shares to Mr. Manish Bajoria and Ms. Neelam Bajoria respectively with a face value of ₹10.00 each at an issue price of ₹10.00.

- iii. Allotment of 1,75,000 Equity Shares on June 30, 2009 having Face Value of ₹ 10.00 pursuant to Further Issue at the Offer price of ₹ 20 as outlined below:

Sr. No	Names of Allottees	Number of Equity Shares
1	M/s. Yugberry Marketing Private Limited	1,00,000
2	M/s. Facit Sales Private Limited	75,000
	<b>Total</b>	<b>1,75,000</b>

- iv. Allotment of 1,60,000 Equity Shares on March 15, 2010 having Face Value of ₹ 10.00 each pursuant to Further Issue at the Offer price of ₹ 10 as outlined below:

Sr. No	Names of Allottees	Number of Equity Shares
1	Mr. Vinod Agarwal	1,60,000
	<b>Total</b>	<b>1,60,000</b>

- v. Allotment of 5,58,220 Equity Shares on December 31, 2011 having Face Value of ₹ 10.00 each pursuant to Further Issue at the issue price of ₹ 10 as outlined below:

Sr. No	Names of Allottees	Number of Equity Shares
1	Mr. Manish Bajoria	2,73,220
2	M/s. Swabhumi Distributors Private Limited	2,50,000
3	M/s. Manish Bajoria HUF	35,000
	<b>Total</b>	<b>5,58,220</b>

- vi. Allotment of 75,000 Equity Shares on March 31, 2012 having Face Value of ₹ 10.00 each pursuant to Further Issue at the issue price of ₹ 100 as outlined below:

Sr. No	Names of Allottees	Number of Equity Shares
1	Ms. Neelam Bajoria	9,000
2	Mr. Manish Bajoria	6,000
3	Mr. Vinod Agarwal	60,000
	<b>Total</b>	<b>75,000</b>

- vii. Allotment of 3,94,800 Equity Shares on February 02, 2018, each with a Face Value of ₹ 10.00 pursuant to Right Issue at the Offer Price of ₹ 17.00 to the existing shareholders as on the record date i.e. January 11, 2018 of the Company as outlined below:

Sr. No	Names of Allottees	Number of Equity Shares
1	Mr. Manish Bajoria	3,94,800
	<b>Total</b>	<b>3,94,800</b>

- viii. Allotment of 51,39,060 Equity Shares on September 18, 2024 having Face Value of ₹10.00 each pursuant to Bonus issue in the ratio of 3:1 meaning 3 Bonus Equity Shares for every 1 equity share held as on record date i.e. September 17, 2024 as per details given below:

Sr. No	Names of Allottees	Number of Equity Shares
1	Mr. Manish Bajoria	27,71,460
2	M/s. Swabhumi Distributors Private Limited	12,75,000
3	Ms. Neelam Bajoria	9,27,000
4	M/s. Manish Bajoria (HUF)	1,05,000
5	Mr. Aman Bajoria	60,000
6	Ms. Premlata Bajoria	300
7	Mr. Ashish Bajoria	300
	<b>Total</b>	<b>51,39,060</b>

- ix. Allotment of 4,00,300 Equity Shares on September 30, 2024 having Face Value of ₹10.00 each pursuant to Preferential Issue at the Offer Price of ₹ 105.00 as per details given below

Sr. No	Names of Allottees	Number of Equity Shares
1	M/s. Regal Jute Private Limited	15,000
2	M/s. Manoj Kumar Kochar (HUF)	19,000
3	Mr. Anshul Agarwal	30,000
4	Mr. Kashish Agarwal	38,000
5	Mr. Nasir Haji Aziz Boda	19,000
6	Mr. Amit Agarwal	15,000
7	Ms. Dipali Bothra	22,500
8	Mr. Ghanshyam Das Manihar	9,400
9	Ms. Leela Devi Manihar	9,400
10	M/s. Modest Investment Co. (P) Ltd.	48,000
11	Ms. Pragati Jalan	19,000
12	M/s. Shree Shyam Investments (through its proprietor Ms. Megha Bhuwania)	47,000
13	M/s. Basudev Dealers LLP	47,000
14	M/s. Pulin Investments Private Limited	62,000
	<b>Total</b>	<b>4,00,300</b>

- Except mentioned in point ii and viii mentioned above, we have not issued any Equity Shares for consideration other than cash.
- Our Company has not allotted any Equity Shares pursuant to any scheme approved under Section 391-394 of the Companies Act, 1956 and Section 230-234 of the Companies Act, 2013.
- We have not re-valued our assets since inception and have not issued any equity shares (including bonus shares) by capitalizing any revaluation reserves.
- Our Company does not have any Employee Stock Option Scheme / Employee Stock Purchase Scheme for our employees, and we do not intend to allot any shares to our employees under Employee Stock Option Scheme / Employee Stock Purchase Scheme from the proposed Offer. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the SEBI (Share Based Employee Benefits) Regulations, 2014.
- Except as stated below, our company has not Issued Equity Shares at price lower than the Offer Price during the preceding 1 (one) year:

Date of Allotment	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Reasons of Allotment	Benefits accrued to company	Allottees	No. of Shares Allotted
September 18, 2024	51,39,060	10.00	-	Bonus Issue	Capitalization of Reserves & Surplus*	Mr. Manish Bajoria	27,71,460
						M/s. Swabhumi Distributors Private Limited	12,75,000
						Ms. Neelam Bajoria	9,27,000
						M/s. Manish Bajoria (HUF)	1,05,000
						Mr. Aman Bajoria	60,000
						Ms. Premlata Bajoria	300
<b>Total</b>							<b>51,39,060</b>

\*Above allotment of shares has been made out of Reserve and Surplus available for distribution to shareholders and no part of revaluation reserve has been utilized for the purpose.

Date of Allotment	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Reasons of Allotment	Benefits accrued to company	Allottees	No. of Shares Allotted
September 30, 2024	4,00,300	10.00	105	Preferential Allotment	Expanding Business and day to day Financial commitments	M/s. Regal Jute Private Limited	15,000
						M/s. Manoj Kumar Kochar (HUF)	19,000
						Mr. Anshul Agarwal	30,000
						Mr. Kashish Agarwal	38,000

					Mr. Nasir Haji Aziz Boda	19,000
					Mr. Amit Agarwal	15,000
					Ms. Dipali Bothra	22,500
					Mr. Ghanshyam Das Manihar	9,400
					Ms. Leela Devi Manihar	9,400
					M/s. Modest Investment Co. (P) Ltd.	48,000
					Ms. Pragati Jalan	19,000
					M/s. Shree Shyam Investments (through its proprietor Ms. Megha Bhuwania)	47,000
					M/s. Basudev Dealers LLP	47,000
					M/s. Pulin Investments Private Limited	62,000
<b>Total</b>						<b>4,00,300</b>

## 8. Our Shareholding Pattern

- a) The table below presents the current shareholding pattern of our Company as on the date of this Draft Red Herring Prospectus:

Category (I)	Category of shareholder (II)	Nos. of shareholders (III)	No. of fully paid-up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No. of Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding as a % assuming full convertible securities (as a percentage of diluted share capital) (XI)=	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)*
								No of Voting Rights			Total as a % of (A+B+C)			No (a)	As a % of total Shares held (b)	No (a)	As a % of total Shares held (b)	
								Class-Equity	Class	Total								
A	Promoters & Promoter Group	7	68,52,080	-	-	68,52,080	94.48	68,52,080	-	68,52,080	94.48	-	94.48	-	-	-	-	68,52,080
B	Public	14	4,00,300	-	-	400,300	5.52	4,00,300	-	4,00,300	5.52	-	5.52	-	-	-	-	4,00,300
C	Non Promoter Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C1	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C2	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total</b>	<b>21</b>	<b>72,52,380</b>	<b>-</b>	<b>-</b>	<b>72,52,380</b>	<b>100.00</b>	<b>72,52,380</b>	<b>-</b>	<b>72,52,380</b>	<b>100.00</b>	<b>-</b>	<b>100.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>72,52,380</b>

b) Equity Shareholding of Directors and Key Managerial Personnel and senior management in our Company:

Except as stated below, none of our Directors or Key Managerial Personnel or senior management hold any Equity Shares in our Company:

Sr. No.	Name of Shareholder	No. of Equity Shares	% of Pre-Offer Capital	No. of Equity Shares	% of Post- Offer Capital
1	Mr. Manish Bajoria	36,95,280	50.95	34,80,280	[●]
2	Ms. Neelam Bajoria	12,36,000	17.04	12,36,000	[●]
3	Mr. Ashish Bajoria	400	0.01	400	[●]
	<b>Total</b>	<b>49,31,680</b>	<b>68.00</b>	<b>47,16,680</b>	<b>[●]</b>

c) List of shareholders holding 1% or more of the paid-up capital of our Company as on date of this Draft Red Herring Prospectus:

Sr. No.	Name of Shareholder	No. of Equity Shares	% of Pre-Offer Capital
1	Mr. Manish Bajoria	36,95,280	50.95
2	M/s. Swabhumi Distributors Private Limited	17,00,000	23.44
3	Ms. Neelam Bajoria	12,36,000	17.04
4	M/s. Manish Bajoria HUF	1,40,000	1.93
5	Mr. Aman Bajoria	80,000	1.10
	<b>Total</b>	<b>68,51,280</b>	<b>94.47</b>

d) List of shareholders holding 1% or more of the paid-up capital of our company as on date ten days prior to the date of this Draft Red Herring Prospectus:

Sr. No.	Name of Shareholder	No. of Equity Shares	% of Pre-Offer Capital
1	Mr. Manish Bajoria	36,95,280	50.95
2	M/s. Swabhumi Distributors Private Limited	17,00,000	23.44
3	Ms. Neelam Bajoria	12,36,000	17.04
4	M/s. Manish Bajoria HUF	1,40,000	1.93
5	Mr. Aman Bajoria	80,000	1.10
	<b>Total</b>	<b>68,51,280</b>	<b>94.47</b>

e) List of shareholders holding 1% or more of the paid-up capital of our company as on date one year prior to the date of this Draft Red Herring Prospectus:

Sr. No.	Name of Shareholder	No. of Equity Shares	% of Pre-Offer Capital
1	Mr. Manish Bajoria	9,24,020	53.95
2	M/s. Swabhumi Distributors Private Limited	4,25,000	24.81
3	Mr. Vinod Agarwal	2,20,000	12.84
4	Ms. Neelam Bajoria	1,09,000	6.36
5	M/s. Manish Bajoria (HUF)	35,000	2.04
	<b>Total</b>	<b>17,13,000</b>	<b>100.00</b>

f) List of shareholders holding 1% or more of the paid-up capital of our company as on date two year prior to the date of this Draft Red Herring Prospectus:

Sr. No.	Name of Shareholder	No. of Equity Shares	% of Pre-Offer Capital
1	Mr. Manish Bajoria	9,24,020	53.95
2	M/s. Swabhumi Distributors Private Limited	4,25,000	24.81
3	Mr. Vinod Agarwal	2,20,000	12.84
4	Ms. Neelam Bajoria	1,09,000	6.36
5	M/s. Manish Bajoria (HUF)	35,000	2.04
	<b>Total</b>	<b>17,13,000</b>	<b>100.00</b>

9. Our Company has not issued any convertible instruments like warrants, debentures etc. since its incorporation and there are no outstanding convertible instruments as on date of this Draft Red Herring Prospectus.

10. Our Company has not made any public offer (including any rights issue to the public) since its incorporation.
11. There will be no further issue of capital, whether by way of issue of bonus shares, preferential allotment, Right issue or in any other manner during the period commencing from the date of the Draft Red Herring Prospectus until the Equity Shares of our Company have been listed or application money unblocked on account of failure of Issue.
12. Our Company does not intend to alter its capital structure within six months from the date of opening of the Offer, by way of split / consolidation of the denomination of Equity Shares. However, our Company may further issue equity shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise after the date of the listing of equity shares to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement or any other purpose as the Board of Directors may deem fit, if an opportunity of such nature is determined by the Board of Directors to be in the interest of our Company.

### 13. Details of our Promoters Shareholding.

As on the date of this Draft Red Herring Prospectus, our Promoters, Mr. Manish Bajoria, M/s. Swabhumi Distributors Private Limited, Ms. Neelam Bajoria, M/s. Manish Bajoria HUF and Mr. Ashish Bajoria holds 93.37 % of the pre-issued, subscribed and paid-up Equity Share capital of our Company.

Build-up of our Promoters' shareholding in our Company:

Date of Allotment / Transfer	Number of Equity Shares	Face Value (₹)	Issue / Acquisition / Transfer Price (₹)	Nature of Consideration	Nature of transaction	% of pre-offer equity share capital	% of post Offer equity share capital
<b>Mr. Manish Bajoria</b>							
Upon Incorporation	5,000	10.00	10.00	Cash	Subscriber to the memorandum of Association	0.07	[●]
June 01, 2009	2,45,000	10.00	10.00	Other than Cash	*Allotment pursuant to acquisition of M/s. ARC Insulation and Insulators	3.38	[●]
December 31, 2011	2,73,220	10.00	10.00	Cash	Further Allotment	3.77	[●]
March 31, 2012	6,000	10.00	100.00	Cash	Further Allotment	0.08	[●]
February 02, 2018	3,94,800	10.00	17.00	Cash	Right Issue	5.44	[●]
March 11, 2024	(100)	10.00	-	Other than Cash	Gift to Prem Lata Bajoria	(0.00)	[●]
March 11, 2024	(100)	10.00	-	Other than Cash	Gift to Ashish Bajoria	(0.00)	[●]
September 18, 2024	27,71,460	10.00	-	Other Than Cash	Bonus Issue	38.21	[●]
<b>Total</b>	<b>36,95,280</b>					<b>50.95</b>	<b>[●]</b>
<b>M/s. Swabhumi Distributors Private Limited</b>							
June 01, 2010	1,00,000	10.00	2.00	Cash	Transfer from Yugberry Marketing Private Limited	1.38	[●]
June 01, 2010	75,000	10.00	2.00	Cash	Transfer from Facit Sales Private Limited	1.03	[●]
December 31, 2011	2,50,000	10.00	10.00	Cash	Further Allotment	3.45	[●]
September 18, 2024	12,75,000	10.00	-	Other than cash	Bonus Issue	17.58	

<b>Total</b>	<b>17,00,000</b>					<b>23.44</b>	<b>[●]</b>
<b>Ms. Neelam Bajoria</b>							
Upon Incorporation	5,000	10.00	10.00	Cash	Subscriber to Memorandum of Association	0.07	[●]
June 01, 2009	95,000	10.00	10.00	Other than Cash	*Allotment pursuant to acquisition of M/s. ARC Insulation and Insulators	1.31	[●]
March 31, 2012	9,000	10.00	100.00	Cash	Further Allotment	0.12	[●]
March 7, 2024	1,60,000	10.00	-	Other than Cash	Gift from Meenu Agarwal	2.21	[●]
March 7, 2024	40,000	10.00	-	Other than Cash	Gift from Meenu Agarwal	0.55	[●]
September 18, 2024	9,27,000	10.00	-	Other than Cash	Bonus Issue	12.78	[●]
<b>Total</b>	<b>12,36,000</b>					<b>17.04</b>	<b>[●]</b>
<b>M/s. Manish Bajoria HUF</b>							
December 31, 2011	35,000	10.00	10.00	Cash	Further Allotment	0.48	[●]
September 18, 2024	1,05,000	10.00	-	Other than Cash	Bonus Issue	1.45	[●]
<b>Total</b>	<b>1,40,000</b>					<b>1.93</b>	<b>[●]</b>
<b>Mr. Ashish Bajoria</b>							
March 11, 2024	100	10.00	-	Other than Cash	Gift from Manish Bajoria	0.00	[●]
September 18, 2024	300	10.00	-	Other than cash	Bonus Issue	0.01	[●]
<b>Total</b>	<b>400</b>					<b>0.01</b>	<b>[●]</b>

\*Pursuant to the Business Transfer Agreement dated June 01, 2009, for the acquisition of the proprietorship firm "M/s. ARC Insulation and Insulators" of our Promoter, Mr. Manish Bajoria, the total consideration of ₹34,00,000.00 has been settled by issuing 2,45,000 and 95,000 equity shares to Mr. Manish Bajoria and Ms. Neelam Bajoria respectively with a face value of ₹10.00 each at an issue price of ₹10.00.

**Notes:**

- None of the shares belonging to our Promoters have been pledged till date.
- The entire Promoter's shares shall be subject to lock-in from the date of allotment of the equity shares issued through this Draft Red Herring Prospectus for periods as per applicable Regulations of the SEBI (ICDR) Regulations.
- All the shares held by our Promoter, were fully paid-up on the respective dates of acquisition of such shares.

The shareholding pattern of our Promoters and Promoter Group before and after the Offer is set forth below:

Sr. No.	Particulars	Pre-Offer		Post-Offer	
		No. of Shares	% Holding	No. of Shares	% Holding
<b>A)</b>	<b>Promoters</b>				
1.	Mr. Manish Bajoria	36,95,280	50.95	34,80,280	[●]
2.	M/s. Swabhumi Distributors Private Limited	17,00,000	23.44	17,00,000	[●]
3.	Ms. Neelam Bajoria	12,36,000	17.04	12,36,000	[●]
4.	M/s. Manish Bajoria (HUF)	1,40,000	1.93	1,40,000	[●]
5.	Mr. Ashish Bajoria	400	0.01	400	[●]
	<b>Total (A)</b>	<b>67,71,680</b>	<b>93.37</b>	<b>65,56,680</b>	<b>[●]</b>



<b>B)</b>	<b>Promoter Group</b>				
1.	Mr. Aman Bajoria	80,000	1.10	80,000	[●]
2.	Ms. Prem Lata Bajoria	400	0.01	400	[●]
	<b>Total (B)</b>	<b>80,400</b>	<b>1.11</b>	<b>80,400</b>	[●]
	<b>Total (A+B)</b>	<b>68,52,080</b>	<b>94.48</b>	<b>66,37,080</b>	[●]

14. The average cost of acquisition of or subscription of shares by our Promoters is set forth in the table below:

Sr. No.	Name of the Promoter	No. of Shares held	Average cost of Acquisition (in ₹)
1.	Mr. Manish Bajoria	36,95,280	3.39
2.	M/s. Swabhumi Distributors Private Limited	17,00,000	1.68
3.	Ms. Neelam Bajoria	12,36,000	1.54
4.	M/s. Manish Bajoria HUF	1,40,000	2.50
5.	Mr. Ashish Bajoria	400	Nil

15. We have 21 (Twenty-One) Shareholders as on the date of this Draft Red Herring Prospectus.

16. We hereby confirm that:

Except as stated below, there has been no acquisition, sale or transfer of Equity Shares by our Promoter, Promoter Group, Directors and their immediate relatives in the last 6 months preceding the date of filing of this Draft Red Herring Prospectus:

Date of Allotment / Transfer	Name of Shareholder	No. of Equity Shares allotted / Transferred / Acquired	% of Pre-Offer Capital	Subscribed / Acquired / Transfer	Category of Allottees (Promoters / Promoter Group)
September 18, 2024	Mr. Manish Bajoria	27,71,460	38.21	Bonus Issue	Promoter
September 18, 2024	Ms. Neelam Bajoria	9,27,000	12.78	Bonus Issue	Promoter
September 18, 2024	M/s. Swabhumi Distributors Private Limited	12,75,000	17.58	Bonus Issue	Promoter
September 18, 2024	Mr. Aman Bajoria	60,000	0.83	Bonus Issue	Promoter Group
September 18, 2024	Ms. Premlata Bajoria	300	0.00	Bonus Issue	Promoter Group
September 18, 2024	M/s. Manish Bajoria HUF	1,05,000	1.45	Bonus Issue	Promoter
September 18, 2024	Mr. Ashish Bajoria	300	0.00	Bonus Issue	Promoter

No financing arrangements have been entered into by the members of the Promoter Group, the Directors, or their relatives for the purchase by any other person of the securities of our Company other than in the normal course of business of the financing entity during a period of six months preceding the date of filing of this Draft Red Herring Prospectus.

#### 17. Details of Promoters' Contribution and Lock-in for Three Years

Pursuant to Regulation 236 and 238 of SEBI (ICDR) Regulations, 2018, an aggregate of 20% of the post offer capital held by our Promoters shall be considered as Promoter's Contribution ("Promoter's Contribution") and shall be locked-in for a period of three years from the date of allotment of Equity shares issued pursuant to this Issue. The lock in of Promoter's Contribution would be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares.

As on the date of this Draft Red Herring Prospectus, our Promoters hold 67,71,680 Equity Shares constituting [●]% of the Post-Issued, subscribed and paid-up Equity Share Capital of our Company, which are eligible for the Promoter's contribution.

Our Promoters have given written consent to include upto 19,16,394 Equity Shares held by them and subscribed by them as part of Promoters' Contribution constituting 20.01% of the post offer Equity Shares of our Company. Further, they have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoter's contribution, for a period of three years from the date of allotment in the Offer.

Date of Allotment / transfer and made fully paid up	No. of Equity Shares locked in#	Face Value Per Share (₹)#	Issue / Acquisition / Transfer Price (₹) #	Nature of transaction	Post-Offer Shareholding %	Lock in Period
<b>Mr. Manish Bajoria</b>						
June 01, 2009	35,000	10.00	10.00	Allotment pursuant to acquisition of M/s. ARC Insulation and Insulators	[●]	3 years
December 31, 2011	2,73,220	10.00	10.00	Further Allotment	[●]	3 years
March 31, 2012	6,000	10.00	100.00	Further Allotment	[●]	3 years
February 02, 2018	3,94,800	10.00	17.00	Right Issue	[●]	3 years
September 18, 2024	3,36,862	10.00	-	Bonus Issue	[●]	3 years
<b>Total</b>	<b>10,45,882</b>				[●]	
<b>M/s. Swabhumi Distributors Private Limited</b>						
June 01, 2010	1,00,000	10.00	2.00	Transfer from Yugberry Marketing Private Limited	[●]	3 years
June 01, 2010	75,000	10.00	2.00	Transfer from Facit Sales Private Limited	[●]	3 years
December 31, 2011	2,50,000	10.00	10.00	Further Allotment	[●]	3 years
September 18, 2024	56,102	10.00	-	Bonus Issue	[●]	3 years
<b>Total</b>	<b>4,81,102</b>				[●]	
<b>Ms. Neelam Bajoria</b>						
October 02, 2008	5,000	10.00	10.00	Subscriber to Memorandum of Association	[●]	3 years
June 01, 2009	95,000	10.00	10.00	Allotment pursuant to acquisition of M/s. ARC Insulation and Insulators	[●]	3 years
March 31, 2012	9,000	10.00	100.00	Further Allotment	[●]	3 years
September 18, 2024	2,40,790	10.00	-	Bonus Issue	[●]	3 years
<b>Total</b>	<b>3,49,790</b>				[●]	
<b>M/s. Manish Bajoria HUF</b>						
December 31, 2011	35,000	10.00	10.00	Further Allotment	[●]	3 years
September 18, 2024	4,620	10.00	-	Bonus Issue	[●]	3 years
<b>Total</b>	<b>39,620</b>				[●]	

# Assuming full subscription to the Offer.

The Equity Shares that are being locked-in are not, and will not be, ineligible for computation of Promoters' Contribution under Regulation 237 of the SEBI (ICDR) Regulations, 2018. In this computation, as per Regulation 237 of the SEBI (ICDR) Regulations, our Company confirms that the Equity Shares locked-in do not, and shall not, consist of:

- The Equity Shares offered for minimum 20% Promoter's Contribution have not been acquired in the three years preceding the date of this Draft Red Herring Prospectus for consideration other than cash and revaluation of assets or capitalization of intangible assets nor resulted from a bonus issue out of the revaluation reserves or unrealized

profits of the Company or against Equity Shares which are otherwise ineligible for computation of Promoter's contribution;

- b) The minimum Promoter's contribution does not include Equity Shares acquired during the one year preceding the date of this Draft Red Herring Prospectus at a price lower than the Offer Price;
- c) The minimum Promoter's contribution does not consist of such specified securities, allotted to promoters against capital existing in such firms for a period of more than one year on a continuous basis.
- d) The Equity Shares held by the Promoters and offered for minimum Promoter's contribution are not subject to any pledge;
- e) All the Equity Shares of our Company held by the Promoters are in dematerialized form and
- f) The Equity Shares offered for Promoter's contribution do not consist of Equity Shares for which specific written consent has not been obtained from the Promoters for inclusion of its subscription in the Promoters contribution subject to lock-in.

**We further confirm that our Promoter's Contribution of 20.01% of the Post Offer Equity does not include any contribution from Alternative Investment Funds or FVCI or Scheduled Commercial Banks or Public Financial Institutions or Insurance Companies.**

#### **18. Equity Shares locked-in for one year or two years in phased manner other than Minimum Promoters' Contribution**

The entire pre-offer shareholding of the Promoters, other than the Minimum Promoter's contribution which is locked in for three years, shall be locked in a phased manner from the date of allotment in this offer as below:

- (a) 50% promoters' holding shall be locked in for 1 year
- (b) 50% promoters' holding shall be locked in for 2 years

In addition to the Minimum Promoter's contribution which is locked in for three years, as specified above, the balance upto 46,40,286 Equity Shares held by the Promoters shall be released in a phased manner i.e., lock-in for 50% of upto 23,20,143 Equity Shares shall be released after one year and remaining 50% of upto 23,20,143 Equity Shares shall be released after two years.

In terms of Regulation 239 of the SEBI ICDR Regulations, the entire pre-offer capital held by the persons other than the Promoters shall be locked in for a period of one year from the date of Allotment in this offer. Accordingly, 4,80,700 Equity Shares held by the Persons other than the Promoter shall be locked in for a period of one year from the date of Allotment in this offer.

#### **19. Inscription or Recording of non-transferability**

In terms of Regulation 241 of the SEBI (ICDR) Regulations, 2018, our Company confirms that certificates of Equity Shares which are subject to lock in shall contain the inscription "Non-Transferable" and specify the lock-in period and in case such equity shares are dematerialized, the Company shall ensure that the lock in is recorded by the Depository. The details of lock-in of the Equity Shares shall also be provided to the Designated Stock Exchange before the listing of the Equity Shares

#### **20. Pledge of Locked in Equity Shares**

Pursuant to Regulation 242 of the SEBI (ICDR) Regulations, 2018, the locked-in Equity Shares held by our Promoters can be pledged with any scheduled commercial bank or public financial institution or systematically important non-banking finance company or a housing finance company as collateral security for loans granted by them, provided that:

- if the equity shares are locked-in in terms of clause (a) of Regulation 238, the loan has been granted to the company or its subsidiary(ies) for the purpose of financing one or more of the objects of the Offer and pledge of equity shares is one of the terms of sanction of the loan;
- if the specified securities are locked-in in terms of clause (b) of Regulation 238 and the pledge of specified securities is one of the terms of sanction of the loan.

Provided that such lock-in shall continue pursuant to the invocation of the pledge and such transferee shall not be eligible to transfer the equity shares till the lock-in period stipulated in these regulations has expired.

## 21. Transferability of Locked in Equity Shares

In terms of Regulation 243 of the SEBI (ICDR) Regulations, 2018 and subject to provisions of SEBI (SAST) Regulations, 2011 as applicable;

The Equity Shares held by our Promoters and locked in as per Regulation 238 of the SEBI (ICDR) Regulations, 2018 may be transferred to another Promoters or any person of the Promoter Group or to a new promoter(s) or persons in control of our Company, subject to continuation of lock-in for the remaining period with transferee and such transferee shall not be eligible to transfer them till the lock-in period stipulated has expired.

The equity shares held by persons other than promoters and locked in as per Regulation 239 of the SEBI (ICDR) Regulations, 2018 may be transferred to any other person (including Promoters and Promoter's Group) holding the equity shares which are locked-in along with the equity shares proposed to be transferred, subject to continuation of lock-in for the remaining period with transferee and such transferee shall not be eligible to transfer them till the lock-in period stipulated has expired.

22. Our Company, our Directors and the Book Running Lead Manager to this Offer have not entered into any buy-back or similar arrangements with any person for purchase of our Equity Shares issued by our Company.
23. As on date of this Draft Red Herring Prospectus, there are no partly paid-up equity shares and all the Equity Shares of our Company are fully paid up. Further, since the entire money in respect of the Offer is being called on application, all the successful applicants will be issued fully paid-up equity shares.
24. As on the date of filing of this Draft Red Herring Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments which would entitle Promoters or any shareholders or any other person any option to acquire our Equity Shares after this Initial Public Offer.
25. As on the date of this Draft Red Herring Prospectus, the Book Running Lead Manager and their respective associates (as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992) do not hold any Equity Shares of our Company. The Book Running Lead Manager and their affiliates may engage in the transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company for which they may in the future receive customary compensation.
26. Investors may note that in case of over-subscription, allotment will be on proportionate basis as detailed under "**Basis of Allotment**" in the chapter titled "**Offer Procedure**" beginning on page 275 of this Draft Red Herring Prospectus. In case of over-subscription in all categories the allocation in the Offer shall be as per the requirements of Regulation 253 (2) of SEBI (ICDR) Regulations, as amended from time to time.
27. An over-subscription to the extent of 10% of the Net Offer can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this Offer. Consequently, the actual allotment may go up by a maximum of 10% of the Offer, as a result of which, the post Offer paid up capital after the Offer would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoters and subject to lock-in shall be suitably increased; so as to ensure that 20% of the post Offer paid-up capital is locked in.
28. Our Company has not raised any bridge loan against the proceeds of this Offer. However, depending on business requirements, we might consider raising bridge financing facilities, pending receipt of the Net Proceeds.
29. Our Company undertakes that at any given time, there shall be only one denomination for our Equity Shares, unless otherwise permitted by law.
30. The unsubscribed portion in any reserved category (if any) may be added to any other reserved category.
31. The unsubscribed portion if any, after such inter se adjustments among the reserved categories shall be added back to the Net Offer to the public portion.
32. Our Company shall comply with such accounting and disclosure norms as specified by SEBI from time to time.
33. There are no Equity Shares against which depository receipts have been issued.
34. As per RBI regulations, OCBs are not allowed to participate in this offer.

35. This Offer is being made through Book Built Method.
36. In terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended, (the SCRR) the Offer is being made for at least 25% of the post-offer paid-up Equity Share capital of our Company. Further, this Offer is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. No payment, direct or indirect in the nature of discount, commission, allowances or otherwise shall be made either by us or our Promoters to the persons who receive allotments, if any, in this Offer.
37. No person connected with the Offer shall offer any incentive, whether direct or indirect, in the nature of discount, commission, and allowance, or otherwise, whether in cash, kind, services or otherwise, to any Applicant.
38. Our Promoters and Promoter Group will not participate in the Offer, except to the extent of the Offer for Sale by the Selling Shareholder.

Our Company shall ensure that transactions in the Equity Shares by the Promoters and the Promoter Group between the date of filing this Draft Red Herring Prospectus and the Offer Closing Date shall be reported to the Stock Exchange within twenty-four hours of such transactions.

## SECTION VII: PARTICULARS OF THE OFFER

### OBJECT OF THE OFFER

The Offer comprises a Fresh Issue of upto 23,24,800 Equity Shares of face value of ₹10.00 each aggregating up to ₹ [●] and an Offer for Sale of up to 2,15,000 Equity Shares of face value ₹10.00 each aggregating up to ₹ [●] Lakhs by the Selling Shareholders.

#### OFFER FOR SALE

Name of the Promoter Selling Shareholder	Number of Equity Shares Offered/ Amount	Date of consent letter
Manish Bajoria	Up to 2,15,000 Equity Shares	January 07, 2024

The proceeds of the Offer for Sale shall be received by the Selling Shareholder and will not form part of the Net Proceeds. Our Company will not receive any proceeds from the Offer for Sale. The Selling Shareholder will be entitled to their respective portion of the proceeds of Offer for Sale, after deducting their share of the Offer-related expenses and relevant taxes thereon.

#### FRESH ISSUE

The details of the proceeds of the Fresh Issue are summarized below:

Particulars	(₹ in Lakhs)	
	Amount	
Gross Proceeds from the Fresh Issue		[●]
Less: Issue related expenses*		[●]
Net Proceeds of the Fresh Issue		[●]

*\* To be finalized on determination of the Offer Price and updated in the Prospectus prior to filing with the ROC. Except for the Listing fees and Market making fees, which will be borne only by our Company, all other expenses relating to the Offer as mentioned above will be borne by our Company and the Selling Shareholders in proportion to the Equity Shares contributed / issued in the Offer. The total Issue expenses are ₹[●] Lakhs out of which ₹[●] Lakhs will be borne by the Selling Shareholders and ₹[●] Lakhs will be borne by our Company. However, for ease of operations, expenses of the Selling Shareholders may, at the outset, be borne by our Company on behalf of the Selling Shareholders and the Selling Shareholders agree that they shall reimburse our Company all such expenses*

#### REQUIREMENTS OF FUNDS

Our Company intends to utilize the Net Fresh Offer proceeds for the following Objects (“Objects of the Offer”):

- i. Capital Expenditure towards set up of Factory shed for New Manufacturing unit.
- ii. Capital Expenditure towards Purchase of Plant & Machinery for New Manufacturing unit.
- iii. Purchase of New Office Space
- iv. Repayment/Pre-payment of Certain Debt Facilities.
- v. Working Capital Requirements
- vi. General Corporate Purposes

In addition to the objects mentioned above, our Company intends to strengthen its capital base and expects to receive the benefits of listing of the Equity Shares on the Stock Exchanges, including among other things, enhancing the visibility of our brand and our Company among our existing and potential customers. We believe that listing will enhance our corporate image and brand name and create a public market for Equity Share of our Company in India and will further enable us to avail future growth opportunities.

We are specialized in the manufacturing and supply of Glass Fiber Reinforced Polymers (GFRP), Fiber Reinforced Polymers (“FRP”) composite/constituency products. Our offerings include GFRP/FRP Rebars, GFRP/FRP Granting Walkways, GFRP/FRP Pipelines, GFRP/FRP Tubes, GFRP/FRP Fencing for Transformers, GFRP/FRP Cable Trays, and other related products. Our industry products are used for application in diverse industries such as Infrastructure, Power, Cooling Tower, Chemical, Composite, Electrical Substation, Metal & Mining and others.

The main object clause and the ancillary object clause of the Memorandum of Association of our Company enable us to undertake our existing activities and the activities for which we are raising funds through the Offer. The existing activities of our Company are within the object clause of our Memorandum.

#### UTILIZATION OF NET FRESH OFFER PROCEEDS

The Net Fresh Offer proceeds are proposed to be used in the manner set out in the following table:

(₹ in lakhs)

Sr. No.	Particulars	Total Estimated Expenditure	Amount to be financed from Internal Accruals/ Borrowings	Amount to be financed and deployed from Net IPO Proceeds by the Financial Year ended March 31, 2026
1	Capital Expenditure towards set up of Factory shed for New Manufacturing unit	357.38	--	357.38
2	Capital Expenditure towards Purchase of Plant & Machinery for New Manufacturing unit	377.22	--	377.22
3	Purchase of New Office Space	443.65	52.65	391.00
4	Repayment/Pre-payment of Certain Debt Facilities	153.27	20.50	132.77
5	Working Capital Requirements	4,277.18	2,642.57	1,634.61
6	General Corporate Purposes	[●]	-	[●]
	<b>Total</b>	[●]		[●]

*\*To be finalized upon determination of the Offer Price and updated in the Prospectus prior to filing with RoC. General Corporate Purpose shall not exceed 25%.*

The above stated estimated expenditure, deployment of the funds and the intended use of the Net Proceeds as described herein are based on our current business plan and circumstances, management estimates, prevailing market conditions and other external commercial and technical factors including interest rates and other charges, which are subject to change from time to time. However, such fund requirements and deployment of funds have not been appraised by any bank, financial institution, or any other independent agency. For further details, see “**Risk Factors – Risks Relating to the Offer and the Objects of the Offer - The Objects of the Offer for which the funds are being raised have not been appraised by any bank or financial institutions. Any variation in the utilization of our Net Proceeds as disclosed in this Draft Red Herring Prospectus would be subject to certain compliance requirements, including prior Shareholders’ approval.**” on page 34. We may have to revise our funding requirements and deployment schedule on account of a variety of factors such as our financial and market condition, business and growth strategies, our ability to identify and implement inorganic growth initiatives (including investments and acquisitions), competitive landscape, general factors affecting our results of operations, financial condition and access to capital and other external factors such as changes in the business environment or regulatory climate and interest or exchange rate fluctuations, which may not be within the control of our management. This may entail rescheduling or revising the proposed utilization of the Net Proceeds and changing the allocation of funds from its planned allocation at the discretion of our management, subject to compliance with applicable law.

In case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by our internal accruals, additional equity and/or debt arrangements, as required. In case the actual utilization towards any of the Objects is lower than the proposed deployment, such balance will be used for funding other existing Objects, if necessary and/or towards general corporate purposes to the extent that the total amount to be utilized towards general corporate purposes does not exceed 25% in accordance with the SEBI ICDR Regulations.

Further, in case of a shortfall in raising requisite capital from the Net Proceeds towards meeting the objects or any increase in the actual utilisation of funds earmarked for the Objects, our Company may explore a range of options including utilizing our internal accruals and/or seeking additional debt from existing and future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls.

#### Means of Finance:

The fund requirements for the Objects are proposed to be met from the Net Proceeds, our internal accruals and bridge financing may be availed post filing of this DRHP. Accordingly, we are in compliance with the requirements prescribed under Paragraph 9(C)(1) of Part A of Schedule VI and Regulation 230 (1) (e) of the SEBI ICDR Regulations which

require firm arrangements of finance to be made through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Offer and existing internal accruals.

As we operate in competitive environment, our Company may have to revise its business plan from time to time and consequently our fund requirements may also change. Our Company's historical expenditure may not be reflective of our future expenditure plans. Our Company may have to revise its estimated costs, fund allocation and fund requirements owing to various factors such as economic and business conditions, increased competition and other external factors which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of the Company's management.

For further details on the risks involved in our business plans and executing our business strategies, please see the chapter titled "**Risk Factors**" beginning on page 34 of this Draft Red Herring Prospectus.

## **Details of the Object**

### **1) Capital Expenditure towards set up of Factory shed for New Manufacturing Unit**

The glass fiber-reinforced plastics (GFRP) composites market is experiencing significant growth, driven by the increasing demand across various industries for lightweight, durable, and high-strength materials. These composites, which combine glass fibers with a plastic matrix, are valued for their superior mechanical properties, including high strength-to-weight ratio, impact resistance, and corrosion resistance.

The automotive and aerospace industries are major contributors to market expansion, as manufacturers seek to enhance fuel efficiency and performance while reducing vehicle and aircraft weights.

The construction sector is increasingly adopting GFRP composites for their durability and low maintenance requirements in structural applications. The marine industry also benefits from GFRP composites due to their resistance to water and environmental degradation.

The marine industry is one of the sectors which is driving a surge in demand for glass fiber reinforced plastics (GFRP) composites, particularly in boat and shipbuilding. As global maritime activities increase, there is a growing need for materials that can withstand the harsh conditions of the marine environment, including saltwater exposure, high humidity, and varying temperatures. GFRP composites are exceptionally well-suited for these applications due to their inherent properties of corrosion resistance, durability, and lightweight nature. The marine industry's emphasis on reducing maintenance costs and enhancing the longevity of vessels aligns perfectly with the benefits offered by GFRP composites. As advancements in composite manufacturing technology continue to improve the performance and affordability of GFRP materials, their use in the marine industry is expected to expand further which represent significant opportunities for GFRP composites, driven by the need for durable, efficient, and cost-effective solutions in boat and shipbuilding. The material's ability to meet the rigorous demands of the marine environment positions it as a valuable asset in the ongoing evolution of maritime technology.

Global glass fiber-reinforced plastics (GFRP) market size was valued at USD 47.61 billion in 2023 and is projected to reach USD 79.09 billion by 2031, with a CAGR of 6.55% during the forecast period of 2024 to 2031.

(Source : [https://www.databridgemarketresearch.com/reports/global-glass-fiber-reinforced-plastics-grfp-market?srsltid=AfmBOoqa4QDag2jqtulxsr9ah-NV39wjs-1aI89AVOtXw-SWyFK\\_c9CO](https://www.databridgemarketresearch.com/reports/global-glass-fiber-reinforced-plastics-grfp-market?srsltid=AfmBOoqa4QDag2jqtulxsr9ah-NV39wjs-1aI89AVOtXw-SWyFK_c9CO))

Our Company has been manufacturing its products since 2008 at its freehold land situated at Village – Ramdevpur, PO-Bawali, Bishnupur2, Parganas South, Bishnupur, West Bengal, India 743384. As an anticipated plan of expansion and tapping the market of GFRP/FRP industry, our company intends to expand our manufacturing unit by setting up a new manufacturing unit of Glass Fiber Reinforced Polymers (GFRP), Fiber Reinforced Polymers ("FRP") composite/constituency products such as GFRP/FRP Rebars, GFRP/FRP Granting Walkways, GFRP/FRP Pipelines, GFRP/FRP Tubes, GFRP/FRP Fencing for Transformers, GFRP/FRP Cable Trays, and other related products designed for industrial, energy and marine's sectors. We supply our products for application in diverse industries including Infrastructure, Power, Cooling Tower, Chemical, Composite, Electrical Substation, Metal & Mining and others.

Our company is expanding and our management is of the opinion that its better in the interest of the company to purchase another land to set up a new manufacturing unit and expand its operations. The company has identified an industrial land situated at District: Paschim Midnapore, Thana: Kharagpur, Gram Panchayat: SANKOA, Mouza: Sanmaninathpur, JI No: 350, Pin- 721301, West Bengal measuring land area of about 163 decimal (71000 sq ft approx.). We have also obtained feasibility report from Cost Accountant, Ankit Gupta report dated January 07, 2025. Our company has entered into the agreement of sale with the owner of the land i.e. Shradha Overseas Private Limited dated December 04, 2024.



Hence for the same the company has to pay a sum of ₹ 4,03,00,000/- (Rupees Four Crores Three Lakhs Only). Further the company will incur Land registration cost and Stamp duty approximately ₹4.03 lakhs and ₹ 24.18 lakhs respectively. The company has already paid an advance amount of ₹ 5.00 Lakhs at the time of agreement and the company is proposed to pay the balance amount including Land registration cost and Stamp duty of ₹ 426.21 Lakhs through its internal accrual.

Details pertaining to the said land is as follows:

Sl.No.	Mouza with JL no. & PS	Khatian No. (LR) at the time of Conversion	Khatian no. (LR) at the time of agreement	LR plot no. noted in the deed	Area (in Decimal)	Proposed buy area (in Decimal)
1.	Sanmaninathpur JL no. 350 PS: Kharagpur	590	551	46	20	20
2.	Sanmaninathpur JL no. 350 PS: Kharagpur	590	552	46	143	143

Setting up of additional manufacturing unit is an initiative of expansion of the current business activity of the company. This will increase the capacity of overall facility, thereby increasing production and increase in revenue with increase in production, the company will also aim at achieving economies of scale, thereby increasing profit margins.

The company is acquiring industrial land as mentioned above and it shall apply for Factory License, Trade License and any other applicable approvals after the registration of land in company's name, further refer to please see the chapter titled "**Government and Other Approvals**" beginning on page 238 of this Draft Red Herring Prospectus .

Our Company intends to make capital expenditure towards construction and civil work and setting up additional manufacturing unit on the aforementioned land and accordingly proposed to construct a factory shed having approximately 50,000 sq. ft. build up area. We have prepared a cost estimate for executing, designing, supervision and procuring all relevant construction and installation. The total estimated cost for setting up the factory is around ₹ 357.38 lakhs, out of which the entire amount is intended to be funded from the Net Proceeds. This has been estimated by our management based on quotations received from third party suppliers/ service providers. The detailed break-down of the same along with details of the quotation, as applicable, is set forth below:

#### Summary of works:

Nature of Work	Supplier	Quotation Date	Validity	Amount (₹ in Lakhs)
Craned Shed (Supply of Pre-Fabricated Steel Building)	Kirby Building Systems & Structures India Pvt Ltd	09.01.2025	30 Days	235.00*
Craned Shed (Erection price)	Kirby Building Systems & Structures India Pvt Ltd	09.01.2025	30 Days	23.00
Flooring Works (VDF)	Dey's Trading Corporation	10.12.2024	180 Days	98.53
Foundation Work (2200*2200*300 HT)				0.49
Foundation Work (1800*1800*300 HT)				0.33
Tie Beam				0.02
<b>TOTAL</b>				<b>357.38</b>

\* Inclusive of GST @ 18%

Note : Any additional cost if any on the above items will be borne from the internal accruals of the company.

#### Proposed Schedule of Implementation

The proposed schedule of implementation for setup factory shed is as follows:

Particulars	Estimated Month of Completion
Placing of Order	April' 2025

Erection/Installation of Factory Shed	July' 2025
---------------------------------------	------------

## 2) Capital Expenditure toward Plant & Machinery For New Manufacturing Unit

In order to increase production capacity at our manufacturing facilities and to cater our manufacturing requirements, our Company intends to make capital expenditure towards purchase of additional plant & machinery to be installed at our proposed manufacturing unit as mentioned above, this will increase our production capacity of GFRP Rebars by 225 MT per month with new Bend machine and 48000 Sq. Mtr. per month with new Mesh machine. The company planned to install on-grid Solar power plants for the purpose of captive consumption with a total capacity of 380 kwp to reduce its power & fuel expenditure. The company planned to install on-grid Solar power plants for the purpose of captive consumption with a total capacity of 380 kwp to reduce its power & fuel expenditure. Our Company proposes to use part of Net Proceeds to the extent to ₹ 377.22 Lakhs to meet capital expenditure based on the quotations received from third party suppliers in relation to the following details of plant and machinery that the Company intends to procure as part of this project is given below:

Sr. No.	Date of Quotation	Name of Vendor	Brief Discription	Qty (In Nos)	Rate	Conversion Rate as on 16.01.2025	Amount (INR in Lakhs)	Validity
1	13.01.2025 *	Armplast Group of Companies, Russia	AGP- line- 2.01 (Production of bent elements from 4 to 16 mm diameter, the production on rate is 4960 items with a length of 1.7 meters)	4	12,160,000 Russian Ruble	0.85	103.36	31.12.2026
			The creel for 48 bobbins	1				
			The alignment device/ device to optimize the humidity fiberglass yarns	1				
			Capacity for impregnating fiberglass roving/Highly efficient extraction of the compound (900 mm width)	1				
			Node power winding periodic profile	1				
			Polymerization furnace with electronic temperature sensors (5 meters)	1				
			Pulling coil winder for winding shapes	2				
			The Polymerization oven is mobile for the final baking of products	1				
			The control unit with fine-tuning the line speed	1				
			Device for twisting fiberglass roving	1				
			Umbrella on the hood	2				
			Power supply 380 volts and 220 volts, voltage 50 Hertz	-				
2	2.9.2024	Armplast Group of Companies, Russia	AGP- line- 2.01 (Production of composite mesh with a width of 2 meters, cells 50*50 to 200*200 mm. Diameter from 2 to 8 mm)	2	11,996,000 Russian Ruble	0.85	101.97	31.12.2026
			The Control Panel	1				

			Roving racks	4				
			Impregnation baths with heated roving	3				
			The returnee	1				
			Polymerization furnace	1				
			Cooling bath (water)	2				
			The pulling knot	1				
			Cutting unit	1				
			Reception desk	1				
			Alignment node	1				
			Power supply 380 volts and 220 volts, voltage 50 Hertz	-				
			The twist of the finished mesh into rolls	1				
			The twist/binding node of the grid	1				
3	19.12.2024	Green Power Solutions	Rooftop On-Grid Solar Power Plant	1	-	-	100.70	45 Days
4	3.12.2024	Agora Freight LLC	Freight and Insurance		62,640 USD	86.62	54.26	NA
5	NA		Import Duty				16.94	NA
<b>Total</b>							<b>377.22</b>	

\* The Original quotation was dated July 8, 2024 has been re-confirmed on January 13, 2025 vide Mail to be valid till December 31, 2026.

Note :

1. Currency exchange rate is considered as on January 16, 2025 (Source: www.xe.com)
2. Includes Installation, Sea Freight, Insurance, Duty on CIF @ 8.25%. All Procurements are excluding GST
3. Executed contract / purchase order in place hence validity date is not relevant.

The company planned to install on-grid Solar power plants for the purpose of captive consumption with a total capacity of 380 kwp to reduce its power & fuel expenditure, the company is expecting to achieve break even for cost of Solar plant in five years in terms of savings in electricity expenditure. The detailed working for break even of solar plant is as follows:

(₹ In Lakhs)

Particulars	Year 1	Year 2	Year 3	Year 4	Year 5
Opening WDV of Solar Plant (A)	100.70	60.42	36.25	21.75	13.05
Depreciation Rate (B)	40%	40%	40%	40%	40%
Depreciation Amount (C=A*B)	40.28	24.17	14.50	8.70	5.22
Closing WDV (D=A-C)	60.42	36.25	21.75	13.05	7.83
Tax effect on Depreciation (E=C*26%)	10.47	6.28	3.77	2.26	1.36
Depreciation Amount (1-t) (F=C-E)	29.81	17.88	10.73	6.44	3.86
Tax Adjusted Savings per annum on Power cost (Refer working below) (G)	35.42	35.42	35.42	35.42	35.42
Net Savings per annum (H=F-G)	5.62	17.54	24.69	28.98	31.56
Cumulative Savings	5.62	23.15	47.85	76.83	108.39

Working for Tax adjusted Savings per annum on Power Cost:

Particulars	Amount
Current Grid Tariff per unit (A)*	8.84

Capacity of Solar Plant in kwp (B)	380
No. of units produced per kwp per annum** (C)	1500
Total electricity produced to be per annum (Units) (D=B*C)	5,70,000
Total electricity produced (₹ In Lakhs) (E=A*D)	50.39
Operation and Maintenance Cost*** (₹ In Lakhs) (F)	2.52
Savings in Power Cost (₹ In Lakhs) (G=E-F)	47.87
Tax impact on Power Cost (₹ In Lakhs) (H=G*26%)	12.45
Tax Adjusted Savings on Power Cost (₹ In Lakhs) (I=G-H)	35.42

\*Current tariff rate is considered based on the average tariff rate calculated as per the electricity bill for the month of December 2024.

\*\*Number of units produced per kwp is 1400-1600 units per annum. We have considered average of 1500 ((1400+1600)/2) for the purpose of calculation.

(Source: [https://www.eai.in/ref/ae/sol/rooftop/power\\_output#:~:text=1%20KWp%20of%20panel%20will,vary%20base,d%20on%20meteorological%20conditions.](https://www.eai.in/ref/ae/sol/rooftop/power_output#:~:text=1%20KWp%20of%20panel%20will,vary%20base,d%20on%20meteorological%20conditions.))

\*\*\*We have assumed that Operation and Maintenance Cost is 5% per annum of total cost.

Notes:

1. We have considered the above quotations for the budgetary estimate purpose and have not placed orders for them. The actual cost of procurement and actual supplier/dealer may vary as per the best possible offer available with us.
2. All quotations received from the vendors mentioned above are valid as on the date of this Draft Red Herring Prospectus. However, we have not entered into any definitive agreements with any of these vendors and there can be no assurance that the same vendors would be engaged to eventually render the services or at the same costs.
3. The construction service and quantity to be purchased are based on the present estimates of our management. The Management shall have the flexibility to revise such estimates (including but not limited to change of vendor or any modification/addition/deletion of supply or equipment) at the time of actual placement of the order. In such case, the Management can utilize the surplus of proceeds, if any, arising at the time of actual placement of the order, to meet the cost of such other service, equipment or utilities, as required. Furthermore, if any surplus from the proceeds remains after meeting the total cost of construction service, equipment and utilities for the aforesaid purpose, the same will be used for our general corporate purposes, subject to limit of 15% of the amount raised by our Company through this Offer.
4. We are not acquiring any second-hand machinery.
5. The quotations relied upon by us in arriving at the above cost are valid for a specific period of time and may lapse after the expiry of the said period. Consequent upon which, there could be a possible escalation in the cost of services proposed to be acquired by us at the actual time of provision of service, resulting in increase in the estimated cost. Further, cost will be escalated on account of freight expenses, installation charges, packaging & forwarding, custom duty etc. Such cost escalation would be met out of our **internal accruals**.

**Further, the new manufacturing unit proposed to be set up from the IPO proceeds shall be used for manufacture of Glass Fiber Reinforced Polymers (GFRP), Fiber Reinforced Polymers (“FRP”) composite/constituency.**

The details of overall installed capacity of GFRP/FRP Manufacturing facility shall be as follows:

Particulars	Installed Capacity
Existing Manufacturing Unit	<b>FRP REBAR – 1320 Tons Per Annum</b> <b>FRP GRATINGS- 57.93 Tons Per Annum</b> <b>PULTRUSION- 507.23 Tons Per Annum</b> <b>FRP PIPES- 93.29 Tons Per Annum</b>
Proposed New additional Manufacturing Unit *	<b>FRP REBAR</b> <b>- With Bend machine 225 MT Per Month</b> <b>- With Mesh machine 48000 Sq. Mtr. Per month</b>

\* Additional units to be produced, the installed capacity of proposed new additional manufacturing unit is based on the Chartered Engineer certificate issued by Ankit Gupta, Chartered Engineer dated January 06, 2025.

### Proposed Schedule of Implementation

The proposed schedule of implementation for installation of Manufacturing facilities is as follows:

Particulars	Estimated Month of Completion
Placing of Order*	April' 2025
Delivery of Plant & Machinery	July' 2025
Erection/Installation of Machinery	August' 2025
Trial Runs	September' 2025
Commercial Production	October' 2025

\*Assuming we receive the IPO Proceeds in the month of April' 2025.

### 3) Purchase of New Office Space

We propose to expand our existing business by buying an office space located at Unit No. OU107 & OU108, both on the 9<sup>th</sup> floor having carpet area of unit admeasuring 743 Sq Ft and 737 Sq Ft more or less respectively corresponding to super built up area of 1120 Sq Ft and 1117 Sq Ft more or less respectively along with two mechanical car parking no. 23 & 24 on 4<sup>th</sup> floor at **Primarc Chambers**, 1839 Laskarhat Road, Kolkata 700 039, under construction. We have executed a sale agreement dated October 07, 2024 with **Primarc Projects Private Limited**. The company has already paid ₹. 30.83 Lakhs as advance payment against purchase of Office.

Purchasing an office in a prime city locality can offer several strategic advantages for growing our business. Here are some key reasons why we choose to make this investment:

- **Connectivity:** Presently our office is situated at the factory premises itself. The same is situated at Bishnupur, PO Bawali, North 24 Pgs. Now we are in the process of setting up another factory at West Midnapore, Kharagpur. Both the locations are far away from the city limits. Bishnupur is away from the city by 30 KM whereas Kharagpur is far from the city by 140 KM. City office is necessary for the connectivity of all the stakeholders of the company for better management and execution.
- **Proximity to Clients:** A central city office gives business easy access to a broader range of clients. Being in a high-visibility area can increase foot traffic and spontaneous visits from potential clients or collaborators. Also we are focusing on increase our exports and to communicate with overseas clients we do require a good office space in a prestigious locality.
- **Team Building:** It is difficult to appoint qualified and skilled people for working on remote locations. The distance for our factory does not suit the talented employees, making us compromise while employing new talent. We find it difficult to convince employees to travel that much for attending office.
- **Reliable Services:** In a city setting, essential services (like high-speed internet, postal services, and utilities) are more reliable and readily available. This supports smoother daily operations and ensures fewer disruptions.
- **Transport Links:** City areas usually offer better public transport connectivity, making it easier for both employees and clients to access office. This can enhance productivity and make the business more convenient for everyone involved.

Purchasing an office in a city locality can greatly enhance our ability to grow our business by providing access to a larger market, improving brand visibility, and offering better infrastructure. It also helps attract top talent, fosters innovation through networking, and supports future scalability. By investing in such an office space, our company can thrive in an environment that maximizes opportunity, productivity, and growth.

Utilization towards purchase of New Office Space in the manner set out in the following table:

Sr. No.	Particulars	Total Estimated Expenditure	Amount to be financed from Internal Accruals/ Borrowings	Amount to be financed and deployed from Net IPO Proceeds by the Financial Year ended March 31, 2026
1	Capital Expenditure towards Purchase of New Office space	361.82	30.82	331.00
2	Capital Expenditure towards Purchase and installation of Furniture in the New Office space	81.83	21.83	60.00
	<b>Total</b>	443.65	52.65	391.00

Details of Cost of Purchase of New Office space:

Particulars	Amount (Rs. In Lakhs)
Cost of Office Space	170.20
Proportionate cost of common areas	87.05
Two mechanical car parking	18.00
Other Charges :	
- Proportionate share of cost, charges & expenses of generator	6.60
- Proportionate installation of transformer & electricity connection	3.18
- Contribution for becoming member of association for both unit	0.50
- Legal / Documentation Charges	1.00
- HVAC Charges & TFA Systems	5.92
- Business Lounge Charges	3.26
GST	36.71
Interest free Sinking Fund	2.29
Registration Cost	27.11
<b>Total</b>	<b>361.82</b>

The company is intended to utilise from the Net Proceeds to the extent of ₹. 331.00 Lakhs towards purchase of New Office space and the balance amount of ₹ 30.82 Lakhs has already paid by the company as advance payment against purchase of New Office through its internal accrual.

Further the company has estimated a cost of Rs. 81.83 Lakhs (excl. GST) on the basis of available quotations towards furnishing and interior of the said office space.

#### Summary of works:

Nature of Work	Supplier	Quotation Date	Validity (months)	Amount* (₹ in Lakhs)
Civil & Interior	A K Enterprises Pvt. Ltd.	18.12.2024	3	38.74
False Ceiling	A K Enterprises Pvt. Ltd.	18.12.2024	3	3.53
Toilet	A K Enterprises Pvt. Ltd.	18.12.2024	3	3.76
Furniture	A K Enterprises Pvt. Ltd.	18.12.2024	3	21.17
Engineering Services	A K Enterprises Pvt. Ltd.	18.12.2024	3	7.47
HVAC	A K Enterprises Pvt. Ltd.	18.12.2024	3	4.17
Design Services	A K Enterprises Pvt. Ltd.	18.12.2024	3	3.00
<b>Total*</b>				<b>81.84</b>

\* Exclusive of GST @ 18%

The company is intended to utilise from the Net Proceeds to the extent of ₹. 60.00 Lakhs towards purchase and installation of furniture and interiors.

#### 4) Repayment/Pre-payment of Certain Debt Facilities

Our Company has entered into various financing arrangements with banks and financial institutions. The loan facilities entered into by our Company include borrowings in the form of term loans and fund-based facilities. For further details, including indicative terms and conditions of such loan facilities, see *“Statement of Financial Indebtedness”* beginning on page 233 of this Draft Red Herring Prospectus. As at October 31, 2024, the amount outstanding under the loan facilities (part of which are proposed to be repaid to the extent of ₹ 132.77 Lakh from the Objects of the Offer) availed by our Company was ₹ 153.27 Lakh on a standalone basis. Our Company proposes to utilise an aggregate amount of ₹ 132.77 Lakh from the Net Proceeds towards full / partial repayment or prepayment of certain borrowing availed by our Company from bank / financial institution. The selection and extent of loans proposed to be repaid from our Company’s borrowings mentioned below will be based on various commercial considerations including, among others, the costs, expenses and charges relating to the facility including interest rate of the relevant loan, the amount of the loan outstanding, the remaining tenure of the loan, presence of onerous terms and conditions under the facility, levy of any prepayment charges, foreclosure charges and the quantum thereof, provisions of any law, rules, regulations governing such borrowings, terms of prepayment to lenders, if any and mix of credit facilities provided by lenders. Given the nature of these borrowings and the terms of repayment, the aggregate outstanding amounts under these loans may vary from time to time and our Company may, in accordance with the relevant repayment schedule, repay or refinance some of its existing borrowings prior to Allotment. Accordingly, our Company may utilise the Net Proceeds for part prepayment of any such refinanced loans or repayment of any additional loan facilities obtained by it. However, the aggregate amount to be utilised from the Net Proceeds towards prepayment or repayment of loans (including refinanced or additional loans availed, if any), in part or full, would not exceed ₹ 132.77 Lakh. The prepayment or repayment will help reduce our outstanding indebtedness and debt servicing costs, assist us in maintaining a favourable debt to equity ratio and enable utilisation of our internal accruals for further investment in business growth and expansion. In addition, we believe that the leverage capacity of our Company will improve our ability to raise further resources in the future to fund potential business development

opportunities and plans to grow and expand our business in the future. The following table provides details of loans availed by our Company as on October 31, 2024 on a standalone basis, out of which all or any of the facilities may be prepaid or repaid, in full or in part, from the Net Proceeds to the extent of an aggregate amount of ₹ 132.77 Lakh:

Name of Lender	Date of Sanction	Purpose	Sanction Amount (₹ In Lakhs)	Rate of Interest	Outstanding as on October 31, 2024 as per books of accounts (₹ In Lakhs)
Hero Finance Corporation Limited	30-04-2019	Corporate term loan	160.00	13.00%	41.75
Kotak Mahindra Bank Limited	31-05-2022	Loan against Property	128.00	9.85%	111.52
<b>Total</b>					<b>153.27</b>

As certified by M/s. Jay Gupta & Associates, Chartered Accountants, pursuant to their certificate dated January 07, 2025 the above-mentioned loans have been deployed towards the purposes mentioned in the respective loan agreements. In due course of business, due to various operational benefits, our Company may explore possibilities of other banks participating in existing loans either in full or in part, including the loans mentioned above. Some of our financing agreements provide for the levy of prepayment penalties. In the event that there are any prepayment penalties required to be paid under the terms of the relevant financing agreements, such prepayment penalties shall be paid by our Company out of its internal accruals.

#### 5) To Meet Working Capital Requirements

We finance our working capital requirement from our internal accruals. Considering the existing and future growth and the orders and service agreements in hand, the working capital needs of our Company, as assessed based on the internal workings of our Company is expected to reach ₹ 4,277.18 Lakhs for FY 2025-2026. We intend to meet our working capital requirements to the extent of ₹ 1,634.61 Lakhs from the Net Proceeds of this Offer.

#### *Basis of estimation of working capital*

The details of our Company's composition of working capital as at March 31, 2022, March 31, 2023, March 31, 2024, October 31, 2024, March 31, 2025 and March 31, 2026 based on the Restated Summary Statements and working capital estimates. Further the source of funding of the same are as set out in the table below:

Particulars	(₹ in lakhs)					
	March 31, 2022	March 31, 2023	March 31, 2024	October 31, 2024	March 31, 2025	March 31, 2026
	Restated	Restated	Restated	Restated	Estimated	Projected
<b>Current Assets</b>						
Trade Receivables	212.13	651.88	446.74	1,095.41	1125.00	2000.00
Inventories	328.60	430.52	558.62	607.66	795.00	2000.00
Cash and Cash Equivalents	7.34	4.65	37.09	64.01	25.94	53.18
Short term Loans & Advances	112.33	96.17	48.22	108.73	20.00	454.00
Other Current Assets	27.45	10.47	14.76	1.54	5.00	20.00
<b>Total (I)</b>	<b>687.86</b>	<b>1193.68</b>	<b>1105.44</b>	<b>1877.34</b>	<b>1970.94</b>	<b>4527.18</b>
<b>Current Liabilities</b>						
Short-Term Borrowings	183.86	245.83	76.62	47.44	36.04	--
Trade Payables	329.10	331.58	477.31	641.86	550.00	200.00
Other Current Liabilities	95.72	225.50	60.23	88.42	50.00	50.00
Short Term Provisions	4.31	83.27	159.51	113.03	--	--
<b>Total (II)</b>	<b>612.99</b>	<b>886.18</b>	<b>773.67</b>	<b>890.74</b>	<b>636.04</b>	<b>250.00</b>
<b>Net Working Capital (I)-(II)</b>	<b>74.87</b>	<b>307.50</b>	<b>331.77</b>	<b>986.59</b>	<b>1334.90</b>	<b>4277.18</b>
<b>Funding Pattern:</b>						
Part of the IPO Proceeds	-	-	-	-	-	1634.61
From Internal Accruals/Borrowings	74.87	307.50	331.77	986.59	1324.90	2642.57

#### *Assumptions for working capital requirement*

### **Assumptions for working capital projections made by our Company**

Glass Fiber Reinforced Polymer (GFRP) rebars are a type of composite material that is increasingly being used as a reinforcement in concrete structures, as an alternative to traditional steel rebars. GFRP rebars offer several advantages, including corrosion resistance, high strength-to-weight ratio, non-magnetic properties, and reduced maintenance costs. These qualities make GFRP an attractive material for use in various applications, particularly in environments where steel rebars would be subject to corrosion, such as marine structures, roads, bridges, and buildings. The demand for GFRP rebars is strong in countries with aggressive infrastructure needs, coastal and marine projects, or extreme climates. Regions such as the United States, Canada, the Middle East (UAE, Saudi Arabia, Qatar), and parts of Europe and Asia (Japan, South Korea, China) are leading the way. As sustainability and long-term durability become even more critical in construction practices, the adoption of GFRP rebars is expected to expand across many more markets worldwide.

The global market for GFRP rebars is growing rapidly due to the increased demand for durable, corrosion-resistant construction materials in infrastructure projects, marine structures, and areas with harsh environments. As the material continues to prove its long-term cost-effectiveness and sustainability, the demand is expected to continue growing. Further In India, GFRP rebars are gaining traction as the construction industry seeks more durable, long-lasting, and corrosion-resistant materials. The growing emphasis on sustainability and infrastructure development offers an encouraging outlook for GFRP adoption, though cost and awareness barriers remain challenges to its wider use.

Our primary objective is to expand our production capacity to enhance our market presence and capture its market demand and future growth opportunities. With our focus on quality, sustainability, and customer satisfaction, we are committed to delivering products of relevant quality that meet our industry standards, ensuring customer satisfaction and trust. Presently more than 85% of our sales is derived from the Domestic markets majorly from the state of West Bengal, Tamil Nadu, Maharashtra, Madhya Pradesh, Gujarat, Delhi, Bihar, Andhra Pradesh and Our export sale is around 15%. We gradually intend to expand our business operations to other states of the country and into global markets also to sell products to end consumers, we intend to use modern trade channels and general trade channels. Through further diversification of our operations geographically, we hope to hedge against risks of operations in only specific areas and protection from fluctuations resulting from business concentration in limited geographical areas. Appointment of various agents will enables us to reach our customers faster. We seek to develop quality products and on-time delivery to cater to the evolving requirements of a large customer base and cover newer customer segments. We believe that we continuously seek new ways to improve our products and processes staying ahead of market trends and customer demands. Such streamlined supply chain operations provide a significant competitive advantage in our industry, where timeliness and efficiency are crucial factors. A streamlined supply chain enables the company to adjust its operations promptly, ensuring it meets evolving customer needs. By consistently delivering quality products and maintaining customer satisfaction, our Company fosters long-term success.

We have estimated that the company will be able to place order for Plant & Machinery and factory shed as mentioned in object after making required advance money and subsequently we will be able to make commercial production from October '2025 onwards and we will be requiring working capital to meet working capital gap raised due to expansion of manufacturing facility in the F.Y. 2025-26 and till then unutilized fund will be deposited with scheduled commercial banks.

### **Rationale for Increase in Working Capital Requirements**

Our company engaged in the manufacturing of Glass Fiber Reinforced Polymer (GFRP) and Fiber Reinforced Polymer (FRP) products including GFRP rebars. The nature of our business involves procuring raw materials from various suppliers and process our products with utmost care. For further details of our business model and product portfolio, please refer the section titled “*Our Business*” on page 138. Our need for incremental working capital is briefly explained below:

#### **Expanding Geographical Presence:**

We plan to continue our strategy of diversifying and expanding our presence in other states in India as well as globally for the growth of our business. Through further diversification of our operations geographically, we hope to hedge against risks of operations in only specific areas and protection from fluctuations resulting from business concentration in limited geographical areas.

#### **Revenue Growth:**

Our company has estimated its revenue growth for sales based on historical performance, existing order book, market trends and expected demand for GFRP products. Estimation of sales volume has been made by incorporating different existing and prospective customer segments like Government contracts, private construction companies, infrastructure projects, export markets. Further assumed average price per unit of GFRP products are influenced by factors like competition, market conditions, and raw material costs (fiberglass, resin, etc.), carrying cost.



### Inventory Assumptions:

GFRP rebars require raw materials like fiberglass, resin, and other polymers. The company is planning to import its raw materials atleast to the extent of 50% of its raw material which generally takes 60-75 days to deliver. Additionally, inventory holding has been assumed considering procurement cycle, order quantities, factoring in lead times, demand forecasts, production capabilities and assuming buffer stock to mitigate any supply chain disruptions, especially considering the critical nature of construction and infrastructure projects.

### Accounts Receivable Assumptions:

The company has assumed 90 days average credit period granted to customers, which is based on customer payment behaviour and payment terms, also assumptions are made regarding the likelihood of non-payment, particularly from customers with weak credit histories or long payment cycles to set aside for doubtful accounts.

### Accounts Payable Assumptions:

The company has assumed 30 days average credit period offered by suppliers to take competitive advantage from suppliers that could impact cash outflows.

### Production and Manufacturing Assumptions:

On the basis of historical data, market trend and future prediction the company has assumed about the time required to manufacture GFRP rebars, including procurement of raw materials, production schedules, and labour availability, expected utilization of production capacity, as demand is expected to increase, the company may need to scale up operations, impacting working capital for raw materials, labour, and overhead costs.

### Composite Supply Chain:

We procure raw materials and ingredients, in addition to bearing operational expenses related to manufacturing and distribution. A larger working capital is needed to cover expenses until the final sale and payment since the entire realization of income is frequently dependent on the sale of finished goods.

### Quality Assurance and Compliance:

Ensuring regulatory compliance and quality standards is crucial for manufacturing companies. This dedication to quality can result in higher testing, certification, and safety standard compliance expenses, which would raise the need for working capital.

In summary, our business model's intricacy, along with the demands of expanding market share and upholding strict quality standards, make a larger working capital investment necessary for the fiscal 2026. With this additional funding, we will be able to take advantage of the market's current growth potential, maintain effective operations, acquire raw materials on schedule, and maintain the standards and quality that our partners and customers have come to expect.

### Assumptions for Holding Levels

*(In days)*

Particulars	Basis of Calculation	Holding Level as on March 31, 2022	Holding Level as on March 31, 2023	Holding Level as on March 31, 2024	Holding Level as on October 31, 2024	Holding Level as on March 31, 2025	Holding Level as on March 31, 2026
<b>Current Assets</b>							
Inventories	Cost of Goods Sold	134	88	123	128	136	149
Trade Receivables	Revenue from Operations	65	66	70	87	80	93
Cash and Cash Equivalents		2	1	5	7	3	3
Short Term Loans & Advances		36	15	6	12	2	27
Other Current Assets		9	2	2	0	1	1
<b>Current Liabilities</b>							
Short-term Borrowings	Cost of Goods Sold	79	57	19	10	7	-

Trade Payables	Purchase	120	83	103	132	101	32
Other Current Liabilities	Cost of Goods Sold	41	52	15	19	10	5
Short-term Provisions	Cost of Goods Sold	2	19	40	25	-	-

**Justification for Holding Period Levels**

Particulars	Detail
Inventories	<p>Inventory levels are maintained by our Company depending upon the demand and delivery schedules. Inventory level for the F.Y. 2022-23 was decreased to 88 days as compared to 134 days in F.Y. 2021-22 due to a big order delivered towards end of the financial year. If the said delivery would have made in next year then the holding period would have been in line at around 130 days. Further inventory holding period increase to 123 days in F.Y. 2023-24 as compared to 88 days in F.Y. 2022-23 reason being strategic decision driven by factors like meet anticipated future demand, reduce the risk of stockouts, take advantage of bulk purchasing discounts which was continued to 128 days in the 7 months period ended October 31, 2024. Our expected inventory holding period for the year ended March 31, 2025 and March 31, 2026 are 136 days and 149 days respectively which is marginally higher as compared to inventory turnover days for March 31, 2024 which is 123 days. This is due to strategic planning, risk management, and operational efficiency of the company to inventory management, ensuring that the organization can meet customer demands while optimizing costs and minimizing risks. We have assumed inventory holding period of 149 in the FY 2025-26 as compared to 136 days in 2024-25 as new production facility would commence from Oct 2025, it would impact increase in sales and stock towards the second half year ending 31.03.2026. Hence, stock would increase towards the year end, but the benefit of increased sales against the new capacity would be enjoyed only for six months. So, stock figure would increase but the sales would not increase in the same proportion. Assumption of 149 days is more realistic considering the broken period involved in the production capacity.</p>
Trade Receivables	<p>Our Company's general credit terms vary across export sales and domestic sales. Over the past three FY, the company maintained approximately same level of Trade receivables holding period of 65 days, 66 days and 70 days in FY 2021-22, 2022-23 and 2023-24 respectively as the company follows clear credit policies and collection procedure that are working well. This holding period increased to 87 days in 7 months period ended October 31, 2024 due to giving higher credit period to customers to increase their engagement. Further, with the application of proactive receivables management, we anticipate maintaining our holding period to 80 days and 93 days in upcoming F.Y. 2024-25 and 2025-26 respectively to manage strategic decision influenced by market conditions, customer relationships, and broader financial goals and to balancing the potential risks with the benefits of improved customer satisfaction and sales growth, the organization can position itself for long-term success while managing cash flow effectively. We have assumed debtors holding period of 93 in the FY 2025-26 as compared to 80 days in 2024-25 as new production facility would commence from Oct 2025, it would impact increase in sales and debtors towards the second half year ending 31.03.2026. Hence, debtors would increase towards the year end. But the benefit of increased sales against the new capacity would be enjoyed only for six months. So, debtors' figure would increase but the sales would not increase in the same proportion. Assumption of 93 days is more realistic considering the broken period involved in the production capacity.</p>
Cash and Cash Equivalents	<p>Our holding period for cash and cash equivalents has 5 days in FY 2023-24 which was maintained to 7 days in 7 months period ended October 31, 2024. We expect to be strategically maintain the holding period 3 days in F.Y. 2024-25 and 3 days in FY 2025-26 to meet operational needs dynamically and to maintain liquidity. Further our cash and cash equivalent in F.Y. 2021-22 and F.Y. 2022-23 were on lower level such as 2 days and 1 days respectively that reflects effective use of cash and a focus on operational efficiency, growth investments and strategic financial management. This approach ensures optimal cash utilization and supports our growth strategy.</p>
Short Term Loan & advances	<p>Short term Loan and Advance majorly includes advance to suppliers, short term deposits etc. Our Short Term Loans &amp; Advances turnover days for the F.Y. 2021-22, 2022-23 and 2023-24 was 36 days, 15 days and 06 days respectively mainly due to decrease in deposits and efficient working capital management of the company. The holding period reached 12 days in 7 months period ended October 31, 2024 mainly due to increase in advances to supplier. Further the company anticipated 2 days in FY 2024-25 and 27 days in FY 2025-26 as per estimated requirements for advance payment to suppliers to get competitive advantage as company is</p>

	looking for imports for procurement of raw material which generally takes two months period to deliver.
Other Current Assets	Other current assets include advances to employees, balance with Government Authorities for Income tax net off Provision for Tax, duty draw back receivables and other balances with revenue authorities. Our Other current assets holding period for the F.Y. 201-22, 2022-23 and 2023-24 were 9 days, 2 days and 2 days respectively which was further reduced to 0 days in 7 months period ended on October 31, 2024. There has been decrease over the years in the holding period due to better asset utilization, more efficient financial management, and improved cash flow. Further the company is anticipating to maintain Other current assets holding days on a similar level i.e. 1 day for F.Y. 2024-25 and 2025-26 both as per requirements and as projected by the company.
Short Term Borrowings	Short term borrowings consist of current maturities of long-term debt and utilised amount of Cash credit facility. The company is expected to repay its current maturities of long-term debt availed from Bank by F.Y. 2025-26 through Net IPO proceeds and internal accruals. Our Short-term borrowing holding level was 79 days, 57 days, 19 days and 10 days for the F.Y. 2021-22, 2022-23, 2023-24 and 7 months period ended on October 31, 2024 respectively. Further the company anticipates that the company will have adequate funds arrangements in F.Y. 2024-25 and 2025-26, so the Cash Credit utilisation would be minimum, therefore holding days are estimated as 7 days and Nil days for F.Y. 2024-25 and 2025-26 respectively.
Trade Payables	<p>Trade Payables holding period is 120 days, 83 days and 103 days for the F.Y. 2021-22, 2022-23 and 2023-24 respectively. The reason for decrease in holding period in the F.Y. 2022-23 as compared to F.Y. 2021-22 is efficient cash flow and supplier management. For the FY 2023-24 while there was increase in holding period from 83 to 103 days due to optimization of cash flows, negotiation with supplier for better terms. Due to better negotiation with the suppliers holding days were increased to 132 days in 7 month period ended October 31, 2024 from 103 days in the FY 2023-24 .</p> <p>For the upcoming period of the FY 2024-25, we are expecting the holding period to be at 101 days with efficient cash flow and supplier management with better payment terms to suppliers, as company.</p> <p>For the next FY 2025-26 the company will have enhanced production and higher consumption of Raw materials. To gain the financial advantage of economies of scale, leverage of cash discounts from suppliers, enhancing profitability, empowerment to negotiate more favourable terms and prices, fostering stronger supplier relationship with prompt payments, the company is planning to increase imports which are generally procured in advance, hence credit purchase is not intended on imports, making the overall creditors balance fall in the FY 2025-26 to 32 day from 101 days in F.Y 2024-25 .</p>
Other Current Liabilities	Other Current Liabilities mainly includes Advance from customers, Expenses payables and statutory dues. Other current liability holding days for the F.Y. 2021-22, 2022-23 and 2023-24 are 41 days, 52 days and 15 days respectively. The holding level for F.Y. 2023-24 was decreased due to improved liquidity, faster settlement of short-term obligations, and effective cash flow or working capital management. It reflects a company's commitment to maintaining financial health, minimizing costs, and reducing financial risks. The holding period for the 7 month period ended October 31, 2024 was maintained to same level being 19 days which is further expected to reduce 10 days in FY 2024-25 and 5 days in 2025-26. We have assumed lower holding level of Other current liability by paying off the liabilities to maintain effective working capital management.
Short-term Provisions	Short term provisions comprise of Provisions for Current years Net Income Tax Payable and Provision for Current liability of Gratuity. Short term provision holding period was 2 days, 19 days, 40 days and 25 days in F.Y. 2021-22, 2022-23, 2023-24 and 7 months period ended October 31, 2024 respectively. This year-on-year increase was due to increase in Net Current tax liabilities on account of increase in Revenue and Profitability. Further it is estimated Nil holding days of Short term provision for the F.Y. 2024-25 and 2025-26 as the company is anticipating to pay all its Income tax liability amount by way of Advance tax which is net off in financial summary.

Pursuant to the certificate dated January 07, 2025, M/s. Jay Gupta & Associates, Chartered Accountants, have verified the working capital requirements for the period ended on March 31, 2024, from the Restated Financial Information and working capital estimates for the financial year 2025 and 2026 as approved by the Board pursuant to its resolution dated January 07, 2025.

## 6) General Corporate Purposes

The Net Proceeds will be first utilized towards the Objects as mentioned above. The balance Net Fresh Offer proceeds to the tune of ₹ [●] Lakhs is proposed to be utilized for general corporate purposes, subject to such utilization not exceeding 25% of the Net Proceeds, in compliance with the SEBI (ICDR) Regulations, 2018. Our Company intends to deploy the balance Net Proceeds, if any, for general corporate purposes, subject to above mentioned limit, as may be approved by our management, including but not restricted to, the following:

- (i) Strategic initiatives
- (ii) Brand building and strengthening of marketing activities; and
- (iii) On-going general corporate exigencies or any other purposes as approved by the Board subject to compliance with the necessary regulatory provisions.

The quantum of utilization of funds towards each of the above purposes will be determined by our Board of Directors based on the permissible amount actually available under the head “General Corporate Purposes” and the business requirements of our Company, from time to time. We, in accordance with the policies of our Board, will have flexibility in utilizing the Net Proceeds for general corporate purposes, as mentioned above.

### Proposed Year wise Deployment of Funds / Schedule of Implementation

The entire Net Fresh Offer proceeds are proposed to be deployed in the Financial Year 2025-26.

### Public Issue Expense

The estimated Offer related expenses include Offer Management Fee, Marketing Fee, Underwriting and Selling Commissions, Printing and Distribution Expenses, Legal Fee, Advertisement Expenses, Registrar’s Fees, Depository Fee and Listing Fee. The total expenses for this Offer are estimated to be approximately ₹ [●] Lakhs. All the Offer related expenses shall be met out of the proceeds of the Offer and the break-up of the same is as follows:

Particulars	Expenses	% of Total Offer Expenses	% of Total Offer size
	(₹ In Lakh)*		
Fees payable to BRLM and commission (including selling commission, brokerage and underwriting commission)^	[●]	[●]	[●]
Commission/processing fee for SCSBs, Sponsor Bank and Bankers to the Offer and bidding/uploading charges for Members of the Syndicate, Registered Brokers, RTAs and CDPs	[●]	[●]	[●]
Fees payable to Registrar to Issue	[●]	[●]	[●]
Market Making Fees	[●]	[●]	[●]
Others	[●]	[●]	[●]
Fees payable to Regulators including Stock Exchange and other Intermediaries	[●]	[●]	[●]
Printing & Distribution Expenses	[●]	[●]	[●]
Marketing & Selling Expenses	[●]	[●]	[●]
Fees to Legal Counsel	[●]	[●]	[●]
Miscellaneous (including fees payable to auditors, consultants, market research firms and other professional agencies)	[●]	[●]	[●]
<b>Total</b>	[●]	[●]	[●]

\*Amounts will be finalised and incorporated in the Prospectus on determination of Offer Price

^The details of the fees and commissions payable to Designated Intermediaries will be updated at the time of filing of Prospectus with RoC

Selling commission payable to Registered broker, SCSBs, RTAs, CDPs on the portion directly procured from Retail Individual Applicants and Non-Institutional Applicants, would be [●] % on the Allotment Amount.

The commission and processing fees shall be released only after the SCSBs provide a written confirmation to the Book Running Lead Manager not later than 30 days from the finalization of Basis of Allotment by Registrar to the Offer in

compliance with SEBI Circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.

Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price.

Subject to applicable law, other than the listing fees, all costs, fees and expenses with respect to the Offer will be shared amongst our Company and the Selling Shareholder, on a pro-rata basis, in proportion to the number of Equity Shares, allotted by our Company in the Fresh Offer and sold by the Selling Shareholder in the Offer for Sale, upon the successful completion of the Offer. Upon commencement of listing and trading of the Equity Shares on the Stock Exchange pursuant to the Offer, the Selling Shareholder shall reimburse the Company for any expenses in relation to the Offer paid by our Company on behalf of the Selling Shareholder. However, in the event that the Offer is withdrawn or not completed for any reason whatsoever, all Offer related expenses will be borne by our Company. The Offer expenses shall be payable in accordance with the arrangements or agreements entered into by our Company with the respective Designated Intermediary.

#### Funds Deployed and Sources of Funds Deployed

Our Peer Review Auditor, M/s. Jay Gupta & Associates, Chartered Accountants, vide their certificate dated January 07, 2025 have also confirmed that the amount ₹10.00 Lakhs have been deployed so far towards the Object of the Offer and the same have been financed through internal sources.

Sl. No.	Particulars	Amount deployed (₹ in Lakhs)
	<b>Issue Expenses</b>	
1.	Paid to Gretex Corporate Services Limited	10.00
	<b>Total</b>	10.00

#### Sources of Financing for the Funds Deployed

Our Peer Review Auditor, M/s. Jay Gupta & Associates, Chartered Accountants, vide their certificate dated January 07, 2025 have also confirmed the amount deployed so far towards part of the Offer expenses has been financed through internal sources.

Sl. No.	Particulars	Amount deployed (₹ in Lakhs)
1.	Issue Expenses	10.00
	<b>Total</b>	10.00

#### Appraisal by Appraising Fund

None of the Objects have been appraised by any bank or financial institution or any other independent third-party organization. The funding requirements of our Company and the deployment of the proceeds of the Offer are currently based on management estimates. The funding requirements of our Company are dependent on a number of factors which may not be in the control of our management, including variations in interest rate structures, changes in our financial condition and current commercial conditions and are subject to change in light of changes in external circumstances or in our financial condition, business or strategy.

#### Shortfall of Funds

Any shortfall in meeting the fund requirements will be met by way of internal accruals and /or unsecured Loans.

#### Bridge Financing Facilities

As on the date of this Draft Red Herring Prospectus, our Company has not raised any bridge loans from any bank or financial institution or other independent agency, which are required to be repaid from the Net Proceeds. However, the Company has executed a sale agreement dated October 07, 2024 with Primarc Projects Private Limited for buying office space which is currently under construction at 1839 Laskarhat Road, Kolkata 700 039, West Bengal for which they may avail bridge financing in case of requirement which shall be repaid from the Net Proceeds.

#### Monitoring Utilization of Funds

As the size of the Fresh Issue does not exceed ₹10,000 Lakhs, in terms of Regulation 262 of the SEBI (ICDR) Regulations, 2018, our Company is not required to appoint a monitoring agency for the purposes of this Issue. Our Board and Audit committee shall monitor the utilization of the net proceeds of the Offer.

Our Company will disclose the utilization of the Net Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilized. Our Company will indicate investments, if any, of unutilized Net Proceeds in the balance sheet of our Company for the relevant financial years subsequent to the completion of the Offer.

Pursuant to Regulation 32 of the SEBI (LODR) Regulation, 2015, our Company shall on a half-yearly basis disclose to the Audit Committee the uses and application of the Net Proceeds. Until such time as any part of the Net Proceeds remains unutilized, our Company will disclose the utilization of the Net Proceeds under separate heads in our Company's balance sheet(s) clearly specifying the amount of and purpose for which Net Proceeds have been utilized so far, and details of amounts out of the Net Proceeds that have not been utilized so far, also indicating interim investments, if any, of such unutilized Net Proceeds. In the event that our Company is unable to utilize the entire amount that we have currently estimated for use out of the Net Proceeds in a Fiscal Year, we will utilize such unutilized amount in the next financial year. Further, in accordance with Regulation 32(1)(a) of the SEBI (LODR) Regulation, 2015 our Company shall furnish to the Stock Exchanges on a half yearly basis, a statement indicating material deviations, if any, in the utilization of the Net Proceeds for the objects stated in this Draft Red Herring Prospectus.

### **Interim Use of Proceeds**

The Net Proceeds shall be retained in the Public Issue Account until receipt of the listing and trading approvals from the Stock Exchange by our Company. Pending utilization of the Net Proceeds for the purposes described above, our Company undertakes to deposit the Net Proceeds only in one or more scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934, as amended, as may be approved by our Board.

In accordance with Section 27 of the Companies Act, 2013, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any other listed company or for any investment in the equity markets.

### **Variation in Objects**

In accordance with Sections 13(8) and 27 of the Companies Act, 2013 and applicable rules, and the SEBI ICDR Regulations, our Company shall not vary the Objects without our Company being authorized to do so by the Shareholders by way of a special resolution. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (the "Notice") shall specify the prescribed details as required under the Companies Act, 2013. The Notice shall simultaneously be published in the newspapers, one in English and one in the vernacular language of the jurisdiction where our Registered Office is situated. Our Promoters will be required to provide an exit opportunity to such shareholders who do not agree to the proposal, to vary the objects, subject to the provisions of the Companies Act, 2013 and in accordance with such terms and conditions, including in respect of proving of the Equity Shares, in accordance with the Companies Act, 2013 and the SEBI ICDR Regulations.

### **Other Confirmations**

No part of the Net Proceeds of the Offer will be paid by our company to our Promoters, members of our Promoter Group, our Directors, Key Managerial Personnel or Senior Management Personnel except the part of Offer for Sale attributable towards Selling Shareholders.

Our Company has not entered into and is not planning to enter into any arrangement / agreements with any of our Directors, Key Managerial Personnel or Senior Management Personnel in relation to the utilisation of the Net Proceeds. Further, there are no material existing or anticipated interest of such individuals and entities in the objects of the Offer except as set out above.

## BASIS OF OFFER PRICE

*Investors should read the following summary with the chapter titled “Risk Factors”, the details about our Company under the chapter titled “Our Business” and its financial statements under the chapter titled “Financial Statements as Restated” beginning on pages 34, 138 and 216 respectively of the Draft Red Herring Prospectus. The trading price of the Equity Shares of Our Company could decline due to these risks and the investor may lose all or part of his investment.*

The Offer Price has been determined by the Company in consultation with the Lead Manager on the basis of the key business strengths of our Company. The face value of the Equity Shares is ₹10.00 each and the Offer Price is ₹ [●] which is [●] times of the face value.

### Qualitative Factors

Some of the qualitative factors, which form the basis for the Offer Price, are:

1. Raw Material Risk
2. Customer Dependency
3. Manufacturing Capacity
4. Regulatory Risks
5. International Operations Risks
6. Manufacturing and Labor Risks
7. Leadership Dependence
8. Competitive Risks
9. Litigation risks

For further details, see “*Risk Factors*” and “*Our Business*” beginning on pages 34 and 138, respectively.

### Quantitative Factors

The information presented in this chapter is derived from the Restated Financial Statements of the Company for the seven months period ended October 31, 2024, financial year ended March 31, 2024, financial year ended March 31, 2023 and financial year ended March 31, 2022 prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI (ICDR) Regulations, 2018 and the Revised Guidance Note on Reports in Company Prospectuses (Revised 2019) Issued by the ICAI, together with the schedules, notes and annexure thereto. For further information, see “*Financial Information*” beginning on page 216.

Some of the quantitative factors which may form the basis for computing the Offer Price are as follows:

#### Basic Earnings and Diluted Earnings per Equity Share (EPS) as per Accounting Standard 20

##### As per Restated Financial Statements (Pre Bonus)

Period	Basic EPS (in ₹)	Weight
March 31, 2022	2.02	1
March 31, 2023	15.40	2
March 31, 2024	35.63	3
<b>Weighted Average</b>	<b>23.29</b>	
October 31, 2024	7.28	

##### As per Restated Financial Statements (Post Bonus)

Period	Basic EPS (in ₹)	Weight
March 31, 2022	0.51	1
March 31, 2023	3.85	2
March 31, 2024	8.91	3
<b>Weighted Average</b>	<b>5.82</b>	
October 31, 2024	7.28	

\* Notes:

- 1) *Basic and diluted earnings/ (loss) per equity share: Basic and diluted earnings per equity share are computed in accordance with Accounting Standard 20 – “Earnings per Share” issued by the Institute of Chartered Accountants of India.*

- 2) The ratios have been computed as below:
- Basic EPS is calculated as Profit/(loss) for the year/period attributable to owners of parent divided by the adjusted weighted average number basic equity shares outstanding during the year/period.
  - Diluted EPS is calculated as Profit/(loss) for the year/period attributable to owners of parent divided by the adjusted weighted average number of adjusted diluted equity shares outstanding during the year/period.
- 3) Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year/period adjusted by the number of equity shares issued during the year/period multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year/period.
- 4) Weighted average is aggregate of year-wise weighted EPS divided by the aggregate of weights i.e.  $\{(EPS \times Weight) \text{ for each year}\} / \{Total \text{ of weights}\}$ .

For further details, see “Other Financial Information” on page 216.

**Price/Earning (“P/E”) Ratio in relation to the Offer Price of ₹ [●] per Equity Share:**

Particulars	P/E at Floor Price (no. of times)	P/E at Cap Price (no. of times)
Based on Restated Financial Statements		
P/E ratio based on the Basic & Diluted EPS, as restated for FY 2024-25	[●]	[●]
P/E ratio based on the Weighted Average Basic & Diluted EPS, as restated	[●]	[●]

*Note:* The P/E ratio has been computed by dividing Issue Price with EPS

**Return on Net Worth as per Restated Financial Statements**

Period	RONW (%)	Weight
March 31, 2022	9.34	1
March 31, 2023	41.55	2
March 31, 2024	49.02	3
<b>Weighted Average</b>	<b>39.92</b>	
October 31, 2024	23.67	

*Note:* The RONW has been computed by dividing net profit after tax (as restated), by Net worth (as restated) as at the end of the year.

**Net Asset Value (NAV)- Pre-Bonus per Equity Share as per Restated Financial Statements**

Sl. No.	Particulars	On the basis of Restated Financial Statements (₹)
a)	As on March 31, 2022	21.66
b)	As on March 31, 2023	37.06
c)	As on March 31, 2024	72.69
d)	As on October 31, 2024	30.76

**Net Asset Value (NAV)- Post Bonus per Equity Share as per Restated Financial Statements**

Sl. No.	Particulars	On the basis of Restated Financial Statements (₹)
a)	As on March 31, 2022	5.42
b)	As on March 31, 2023	9.27
c)	As on March 31, 2024	18.17
d)	As on October 31, 2024	30.76
e)	<b>Net Asset Value per Equity Share after the Offer at Offer Price</b>	<b>[●]</b>
f)	<b>Offer Price*</b>	<b>[●]</b>

**Notes:**

- NAV has been calculated as Net worth divided by number of Equity Shares at the end of the year.
- Net asset value per equity share = net worth attributable to the owners of the parent as at the end of the year/period divided by adjusted number of equity shares outstanding as at the end of year/period.



3. Net worth as defined under Regulation 2(1)(hh) of the SEBI ICDR Regulations means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation

For further details, see “Other Financial Information” on page 216.

#### Comparison with Listed Industry Peer:

Particulars	CMP*	EPS (₹)	PE Ratio	RONW (%)	NAV (₹)	Face Value (₹)	Revenue from Operations (₹ in Lakh)
ARC Insulation and Insulators Limited	[●]	8.91	[●]	49.02	30.76	10.00	2,845.47
<b>Peer Group **</b>							
Aeron Composite Limited	165.00	64.53	2.56	33.20	NA	10.00	19,972.98

\* CMP for our Company is considered as Issue Price

\*\* Source: www.nseindia.com.

#### Notes:

- The figures of ARC Insulation and Insulators Limited are based on financial statements as restated as on March 31, 2024.
- Considering the nature and size of business of the Company, the peers are not strictly comparable. However, the same have been included for broad comparison.
- Current Market Price (CMP) is the closing price of peer group scripts as on January 19, 2025.
- The figures for the peer group are based on the standalone audited financials for the year ended March 31, 2024.

The face value of our share is ₹10.00 per share and the Offer Price is of ₹ [●] per share are [●] times of the face value.

#### Key Performance Indicators

The KPIs disclosed below have been used historically by our Company to understand and analyse the business performance, which in result, help us in analysing the growth of our company in comparison to our peers.

The KPIs disclosed below have been approved by a resolution of our Audit Committee dated January 07, 2025, and the members of the Audit Committee have verified the details of all KPIs pertaining to our Company. Further, the members of the Audit Committee have confirmed that there are no KPIs pertaining to our Company that have been disclosed to any investors at any point of time during the three-year period prior to the date of filing of this Draft Red Herring Prospectus. Further, the KPIs herein have been certified by Jay Gupta & Associates, Chartered Accountants, by their certificate dated January 07, 2025.

The KPIs of our Company have been disclosed in the sections titled “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Key Performance Indicators” on pages 138 and 217 respectively.

Our Company confirms that it shall continue to disclose all the KPIs included in this section on a periodic basis, at least once in a year (or any lesser period as determined by the Board of our Company), for a duration of one year after the date of listing of the Equity Shares on the Stock Exchange or till the complete utilization of the proceeds of the Offer as per the disclosure made in the Objects of the Offer Section, whichever is later or for such other duration as may be required under the SEBI ICDR Regulations.

#### Key Performance Indicators of Our Company

Key Financial Performance	(₹ in Lakhs)			
	For seven months period ended October 31, 2024	Financial Year ended March 31, 2024	Financial Year ended March 31, 2023	Financial Year ended March 31, 2022
Revenue from operations <sup>(1)</sup>	1,887.32	2,845.47	2,398.25	1,154.17
EBITDA <sup>(2)</sup>	744.31	905.23	428.93	113.73
EBITDA Margin % <sup>(3)</sup>	39.44	31.81	17.89	9.85
PAT	503.21	610.40	263.81	23.85
PAT Margin % <sup>(4)</sup>	26.66	21.45	11.00	2.07

Net worth <sup>(5)</sup>	2,125.50	1,245.28	634.88	371.08
RoE % <sup>(6)</sup>	29.86	64.93	52.45	6.59
RoCE% <sup>(7)</sup>	36.49	61.85	36.55	6.74

**Notes:**

- (1) Revenue from Operations means the Revenue from Operations as appearing in the Restated Financial Statements  
(2) EBITDA is calculated as Profit before tax + Depreciation + Finance Costs - Other Income.  
(3) 'EBITDA Margin' is calculated as EBITDA divided by Revenue from Operations.  
(4) 'PAT Margin' is calculated as PAT for the period/year divided by revenue from operations.  
(5) Net worth as defined under Regulation 2(1)(hh) of the SEBI ICDR Regulations means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation  
(6) Return on Equity is ratio of Profit after Tax and Average Shareholder Equity  
(7) Return on Capital Employed is calculated as EBIT divided by Average capital employed, which is defined as shareholders' equity plus total debt. Here, EBIT is calculated as Profit before tax + Finance Costs.

**Other Operational Indicators**

Particulars	For the seven months ended, October 31, 2024	For financial year ended March 31, 2024	For financial year ended March 31, 2023	For financial year ended March 31, 2022
Total Revenue from Operations (₹ in Lakhs)	1,878.29	2,825.75	2,398.25	1,154.17
Total Actual Production (Tons)	897.33	1334.71	1216.85	671.62
Average Revenue Per Ton (₹ in Lakhs) <sup>(1)</sup>	2.09	2.12	1.97	1.72
Total No of Customers	55	83	77	92
Average Revenue Per Customer (₹ in Lakhs) <sup>(2)</sup>	34.15	34.05	31.15	12.55

**Notes:**

- (1) Average Revenue per Ton: Total revenue from operations divided by total actual production (tons).  
(2) Average Revenue Per Customer: Total revenue from operations divided by total number of customers.

**Explanations for KPI Metrics**

KPI	Explanation
Revenue from Operation	Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps to assess the overall financial performance of our Company and volume of our business in key verticals
EBITDA	EBITDA provides information regarding the operational efficiency of the business
EBITDA Margin (%)	EBITDA Margin (%) is an indicator of the operational profitability and financial performance of our business
PAT	Profit after tax provides information regarding the overall profitability of the business
PAT Margin (%)	PAT Margin (%) is an indicator of the overall profitability and financial performance of our business.
Net Worth	Net worth is used by the management to ascertain the total value created by the entity and provides a snapshot of current financial position of the entity.
RoE%	RoE provides how efficiently our Company generates profits from Shareholders' Funds
RoCE%	ROCE provides how efficiently our Company generates earnings from the capital employed in the business.
Total Revenue from Operations	Total Revenue form operation is the revenue from domestic and export sale of GFRP/FRP Rebars, GFRP/FRP Grating, GFRP/FRP Pultrusion and GFRP/FRP Pipe.
Total Actual Production (Tons)	It reflects total quantity of units produced during the specific period.

Average Revenue Per Tons	It reflects revenue earned per ton of units produced during the specific period, which is derived as Total revenue from operations divided by total actual production (tons).
Total No of Customers	It reflects total number of customers who have purchased the products from the company during specified period.
Average Revenue Per Customer	It reflects revenue earned per customer during the specific period, which is derived as Total revenue from operations divided by total number of customers.

Set forth below are the details of comparison of key performance of indicators with our listed industry peers:

(₹ in Lakhs)

Key Financial Performance	ARC Insulation & Insulators Limited			Aeron Composite Limited		
	Financial Year ended March 31, 2024	Financial Year ended March 31, 2023	Financial Year ended March 31, 2022	Financial Year ended March 31, 2024	Financial Year ended March 31, 2023	Financial Year ended March 31, 2022
Revenue from operations <sup>(1)</sup>	2,845.47	2,398.25	1,154.17	19,972.98	17,938.42	10,833.53
EBITDA <sup>(2)</sup>	905.23	428.93	113.73	1,802.58	1,278.69	623.66
EBITDA Margin % <sup>(3)</sup>	31.81	17.89	9.85	9.03	7.13	5.76
PAT	610.40	263.81	23.85	1,010.80	661.00	362.22
PAT Margin % <sup>(4)</sup>	21.45	11.00	2.07	5.06	3.68	3.34
Net worth <sup>(5)</sup>	1,245.28	634.88	371.08	3,549.90	2,539.10	1,560.65
RoE % <sup>(6)</sup>	64.93	52.45	6.59	28.47	26.03	23.21
RoCE% <sup>(7)</sup>	61.85	36.55	6.74	36.45	33.06	18.65

#### Weighted Average Cost of Acquisition

(a) The price per share of our Company is based on the primary issuance of equity shares.

There has been no issuance of Equity Shares, other than Equity Shares issued pursuant to a bonus issue and private placement (preferential allotment) allotted on September 18, 2024 and September 30, 2024 respectively during the 18 months preceding the date of this Draft Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre-offer capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of 30 days.

(b) The price per share of our Company based on the secondary transaction of equity shares

There have been no secondary sale/acquisitions of Equity Shares, where the promoters, members of the promoter group or shareholder(s) having the right to nominate director(s) in the board of directors of the Company are a party to the transaction (excluding gifts), during the 18 months preceding the date of this certificate, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of the Company (calculated based on the pre-offer capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

(c) Price per share based on the last five primary or secondary transactions.

Since there are no transactions to report to under (a) & (b) therefore, information based on last 5 primary or secondary transactions (secondary transactions where Promoter/ Promoter Group entities or Selling shareholder or shareholder(s) having the right to nominate director(s) in the Board of our Company, are a party to the transaction) not older than 3 (three) years prior to the date of this Draft Red Herring Prospectus irrespective of the size of transactions is as follow:

Date of Allotment	No. of equity shares	Face value (₹)	Price per equity shares	Nature of allotment	Nature of consideration (in ₹ lakhs)	Total Consideration (₹ In Lakhs)
September 18, 2024	51,39,060	10	Nil	Bonus	Bonus	Nil
September 30, 2024	4,00,300	10	105/-	Preferential allotment	Cash	420.32
<b>Weighted average cost of acquisition</b>						<b>7.59</b>

(d) Weighted average cost of acquisition, floor price and cap price:

Types of transactions	Weighted average cost of acquisition (₹ per Equity Shares)	Floor price* (i.e. ₹ [●])	Cap price* (i.e. ₹ [●])
Weighted average cost of acquisition of primary issuance as per paragraph (a) above	NIL	NA	NA
Weighted average cost of acquisition for secondary transaction as per paragraph (b) above	NIL	NA	NA
Weighted average cost of acquisition for last five primary or secondary transaction as per paragraph (c) above	7.59	[●] times	[●] times

**Note:**

*^There were no primary / new issue of equity shares other than Equity Shares issued pursuant to a shares allotted in respect to Bonus issue and Private Placement (Preferential allotment) made on September 18, 2024 and September 30, 2024, in last 18 months and three years prior to the date of this Draft Red Herring Prospectus.*

The Company in consultation with the Lead Manager believes that the Offer Price of ₹ [●] per share for the Public Issue is justified in view of the above parameters. Investor should read the above-mentioned information along with the chapter titled **“Risk Factors”** beginning on page 34 of this Draft Red Herring Prospectus and the financials of our Company including important profitability and return ratios, as set out in the chapter titled **“Financial Statements as Restated”** beginning on page 216 of this Draft Red Herring Prospectus.

## STATEMENT OF POSSIBLE TAX BENEFITS

**To**  
**The Board of Directors**  
**ARC INSULATION AND INSULATORS LIMITED**  
Village - Ramdevpur, PO-Bawali Bishnupur2, Parganas South,  
Bishnupur, West Bengal, India, 743384.

Dear Sir,

**Sub: Statement of Possible Special Tax Benefits (“the Statement”) available to ARC INSULATION AND INSULATORS LIMITED (“the Company”) and its shareholders prepared in accordance with the requirements in Point No. 9 (L) of Part A of Schedule VI of the Securities Exchange Board of India (Issue of Capital Disclosure Requirements) Regulations 2018, as amended (“the Regulations”)**

We hereby report that this certificate along with the annexure (hereinafter referred to as “**The Statement**”) states the possible special tax benefits available to the Company and the shareholders of the Company under the Income Tax Act, 1961 (‘IT Act’) (read with Income Tax Rules, Circulars and Notifications) as amended by the Finance Act, 2024 (i.e. applicable to F.Y. 2024-25 relevant to A.Y. 2025-26) (hereinafter referred to as the “IT Regulations”) and under the Goods And Service Tax Act, 2017 (read with Goods And Service Tax[GST] Rules, Circulars and Notifications), presently in force in India. The Statement has been prepared by the management of the Company in connection with the proposed Public Issue, which we have initialed for identification purposes only.

Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the said relevant provisions of the tax laws and regulations applicable to the Company. Hence, the ability of the Company or its shareholders to derive the special tax benefits, if any, is dependent upon fulfilling such conditions, which based on business imperatives, which the Company may or may not choose to fulfill or face in the future.

The benefits discussed in the enclosed annexure cover only special tax benefits available to the Company and its shareholders and do not cover any general tax benefits available to the Company or its shareholders. Further, the Preparation of enclosed statement and the contents stated therein is not exhaustive and is the responsibility of the Company’s management. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. A shareholder is advised to consult his/ her/ its own tax consultant with respect to the tax implications arising out of his/her/its participation in the proposed issue, particularly in view of ever-changing tax laws in India. Further, we give no assurance that the income tax authorities/ other indirect tax authorities/courts will concur with our views expressed herein.

We do not express any opinion or provide any assurance as to whether:

- the Company or its shareholders will continue to obtain these benefits in future; or
- the conditions prescribed for availing the benefits have been/would be met.

The contents of this annexure are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the provisions of the tax laws.

The information provided below sets out the Possible Special Direct Tax & Indirect Tax benefits available to the Company, and its Shareholders in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the subscription, ownership and disposal of Equity Shares, under the current tax laws presently in force in India. Several of these benefits are dependent on the Company and its Shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company, and the Shareholders of the Company to derive the direct and indirect tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company may face in the future and accordingly, the Company, and the Shareholders of the Company may or may not choose to fulfil. Further, certain tax benefits may be optional, and it would be at the discretion of the Company or the Shareholders of the Company to exercise the option by fulfilling the conditions prescribed under the Tax Laws.

The following overview is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own Tax Consultant with respect to the tax implications of an investment in the shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

This certificate along with the annexure is provided solely for the purpose of assisting the addressee Company in discharging its responsibility under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 for inclusion in the Draft Red Herring Prospectus/Red Herring Prospectus/Prospectus

in connection with the proposed offer of equity shares and is not to be used, referred to or distributed for any other purpose without our written consent.

**For, Jay Gupta & Associates**  
**Chartered Accountants,**  
**Firm Registration No.: 329001E**

*Sd/-*

**Jay Shankar Gupta**  
**Partner**  
**Membership No.: 059535**  
**UDIN: 25059535BMHBPX2100**

Date: January 07, 2025  
Place: Kolkata

**ANNEXURE TO THE STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO ARC INSULATION AND INSULATORS LIMITED (“THE COMPANY”) AND IT’S SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA**

Outlined below are the possible special tax benefits available to the Company and its shareholders as per the Income tax Act, 1961 (“IT Act”) as amended from time to time and applicable for financial year 2024-25 relevant to assessment year 2025-26 (AY 2025-26) and Indirect Tax Laws as amended from time to time and applicable for financial year 2024-25. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the Equity Shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

**I. Under the IT Act**

**1. Special Tax Benefits to the Company**

- Lower Corporate Tax rate under Section 115BAA

A new Section 115BAA has been inserted by the Taxation Laws (Amendment) Act, 2019 (“the Amendment Act, 2019”) granting an option to domestic companies to compute corporate tax at a reduced rate of 25.17% (22% plus surcharge of 10% and cess of 4%) from the Financial Year 2019-20, provided such companies do not avail specified exemptions/incentives (e.g. deduction under Section 10AA, 32(1) (ia), 33ABA, 35(2AB), 80-IA etc.)

The Amendment Act, 2019 also provides that domestic companies availing such option will not be required to pay Minimum Alternate Tax (“MAT”) under Section 115JB. The CBDT has further issued Circular 29/2019 dated October 02, 2019 clarifying that since the MAT provisions under Section 115JB itself would not apply where a domestic company exercises option of lower tax rate under Section 115BAA, MAT credit would not be available. Corresponding amendment has been inserted under Section 115JAA dealing with MAT credit.

The Company has exercised the above option.

**2. Special Tax Benefits available to Shareholders**

There are no Special Tax Benefits available to the Shareholders (other than Resident Corporate Shareholder) of the Company.

**NOTES:**

- The above statement of Possible Special Tax Benefits sets out the provisions of Tax Laws in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.
- The above statement covers only certain Special Tax Benefits under the Act, read with the relevant rules, circulars and notifications and does not cover any benefit under any other law in force in India. This statement also does not discuss any tax consequences, in the country outside India, of an investment in the shares of an Indian company.
- The above statement of Possible Special Tax Benefits is as per the current Direct Tax Laws relevant for the assessment year 2024-25. Several of these benefits are dependent on the Company or its Shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax Laws.
- In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the relevant Double Taxation Avoidance Agreement, if any, entered into between India and the country in which the non-resident has fiscal domicile.
- As the Company has opted for concessional corporate income tax rate as prescribed under section 115BAA of the Act, it will not be allowed to claim any of the following deductions:
  - Deduction under the provisions of section 10AA (deduction for units in Special Economic Zone)
  - Deduction under clause (ia) of sub-section (1) of section 32 (Additional Depreciation)
  - Deduction under section 32AD or section 33AB or section 33ABA (Investment allowance in backward areas, Investment deposit account, Site restoration fund)
  - Deduction under sub-clause (ii) or sub-clause (ia) or sub-clause (iii) of sub-section or subsection (2AA) or sub-section (2AB) of section 35 (Expenditure on scientific research)
  - Deduction under section 35AD or section 35CCC (Deduction for specified business, agricultural extension project)

- Deduction under section 35CCD (Expenditure on skill development)
  - Deduction under any provisions of Chapter VI-A other than the provisions of section 80JJAA, 80LA and 80M;
  - No set off of any loss carried forward or depreciation from any earlier assessment year, if such loss or depreciation is attributable to any of the deductions referred above;
  - No set off of any loss or allowance for unabsorbed depreciation deemed so under section 72A, if such loss or depreciation is attributable to any of the deductions referred above;
- This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his or her tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.

## **II. Under the Indirect Tax Laws**

### **3. Special Indirect Tax Benefits available to the Company**

The Company is not entitled to any special tax benefits under indirect tax laws.

### **4. Special Tax Benefits available to Shareholders**

The Shareholders of the Company are not entitled to any Special Tax Benefits under indirect tax laws.

#### **NOTES:**

1. All the above benefits are as per the current tax laws and will be available only to the sole / first name holder where the shares are held by joint holders.
2. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.
3. The above statement of possible special tax benefits are as per the current direct tax laws relevant for the F.Y.2024-25 relevant to A.Y. 2025-26.
4. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

***YOU SHOULD CONSULT YOUR OWN TAX ADVISORS CONCERNING THE INDIAN TAX IMPLICATIONS AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN YOUR PARTICULAR SITUATION.***

We hereby give our consent to include our above referred opinion regarding the tax benefits available to the Company and to its shareholders in the offer document.

**For, Jay Gupta & Associates**  
**Chartered Accountants,**  
**Firm Registration No.: 329001E**

*Sd/-*

**Jay Shankar Gupta**  
**Partner**  
**Membership No.: 059535**  
**UDIN: 25059535BMHBPX2100**  
Date: January 07, 2025  
Place: Kolkata



## SECTION VIII: ABOUT THE ISSUER COMPANY

### OUR INDUSTRY

*The information in this section has been extracted from various websites and publicly available documents from various industry sources. The data may have been re-classified by us for the purpose of presentation. Neither we nor any other person connected with the Offer has independently verified the information provided in this section. Industry sources and publications, referred to in this section, generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured, and, accordingly, investment decisions should not be based on such information.*

#### GLOBAL ECONOMY AT LARGE

##### Policy Pivot, Rising Threats

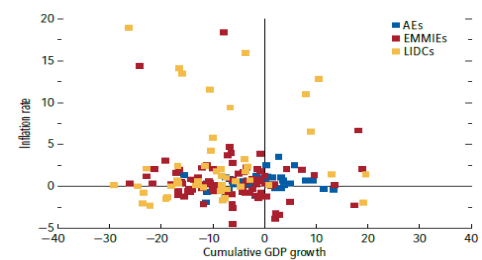
##### Uncertainty Seeping through as Policies Shift

The past four years have put the resilience of the global economy to the test. A once-in-a-century pandemic, eruption of geopolitical conflicts, and extreme weather events have disrupted supply chains, caused energy and food crises, and prompted governments to take unprecedented actions to protect lives and livelihoods. The global economy has demonstrated resilience overall, but this masks uneven performance across regions and lingering fragilities.

The negative supply shocks to the global economy since 2020 have had lasting effects on output and inflation, with varied impacts across individual countries and country groups. The sharpest contrasts are between advanced and developing economies. Whereas the former have caught up with activity and inflation projected before the pandemic, the latter are showing more permanent scars (see the October 2023 World Economic Outlook), with large output shortfalls and persistent inflation (Figure 1.1).

Since the beginning of the year, signs have emerged that cyclical imbalances are being gradually resorbed, with economic activity in major economies better aligned with their potential. These developments may have helped bring inflation rates across countries closer together, but the momentum in global disinflation appears to have slowed in the first half of the year (July 2024 World Economic Outlook Update). Goods prices have stabilized, and some are declining, but services price inflation remains high in many countries, partly reflecting rapid wage increases, as pay is still catching up with the inflation surge of 2021–22. This has forced some central banks to delay their policy-easing plans (Chapter 2), putting public finances under more pressure, especially in countries where debt-servicing costs are already high and refinancing needs significant.

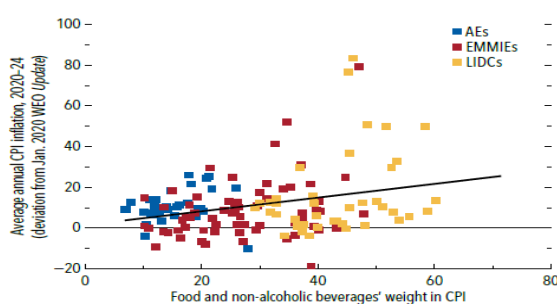
**Figure 1.1. Growth and Inflation Revisions**  
(Percentage points, relative to January 2020 WEO Update)



Source: IMF staff calculations.

Note: X-axis reports latest estimates for cumulative GDP growth from 2020 to 2024 in deviation from January 2020 WEO Update forecast. Y-axis reports latest estimates for inflation rate in 2024 in deviation from January 2020 WEO Update forecast. AEs = advanced economies; EMMIEs = emerging market and middle-income economies; LIDCs = low-income developing countries; WEO = World Economic Outlook.

**Figure 1.2. Inflation Surprises and Importance of Food in CPI**  
(Percent)



Source: IMF staff calculations.

Note: The solid line denotes linear regression. AEs = advanced economies; CPI = consumer price index; EMMIEs = emerging market and middle-income economies; LIDCs = low-income developing countries; WEO = World Economic Outlook.

Now, as before, the global outlook will be shaped largely by fiscal and monetary choices, their international spillovers, the intensity of geo-economic fragmentation forces, and the ability of governments to implement long-overdue structural reforms. With inflation approaching central bank targets and governments striving to manage debt dynamics, the policy mix is expected to shift from monetary to fiscal tightening as monetary policy rates are brought down, closer to their natural levels. How fast such rotations occur in individual countries will have consequences for capital flows and exchange rates.

The level of uncertainty surrounding the outlook is high. Newly elected governments (about half of the world population has gone or will go to the polls in 2024) could introduce significant shifts

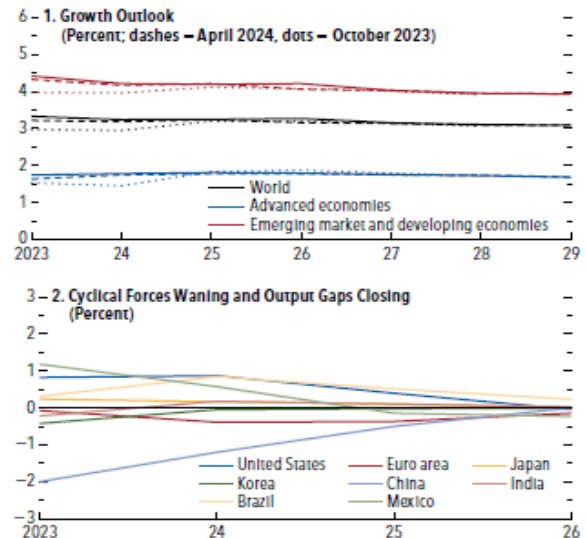
in trade and fiscal policy. Moreover, the return of financial market volatility over the summer has stirred old fears about hidden vulnerabilities. This has heightened anxiety over the appropriate monetary policy stance, especially in countries where inflation is persistent, and signs of slowdown are emerging. Further intensification of geopolitical rifts could weigh on trade, investment, and the free flow of ideas. This could affect long-term growth, threaten the resilience of supply chains, and create difficult trade-offs for central banks. On the upside, governments could succeed in building the

necessary consensus around overdue and difficult-to-pass structural reforms (Chapter 3), which would boost growth and enhance fiscal sustainability and financial stability.

### Baseline Outlook: Stable Growth amid Continuing Disinflation

Global growth is expected to remain broadly flat decelerating from 3.3 percent in 2023 to 3.1 percent by 2029 and is largely unchanged from World Economic Outlook forecasts in April 2024 and October 2023 (Tables 1.1 and 1.2; Figure 1.12).<sup>1</sup> Under the surface, however, offsetting revisions have brought major economies closer together as cyclical forces wane and GDP moves closer to potential. As inflation recedes, policy rates are expected to follow suit, preventing undue increases in real interest rates. Interest rates are expected to gradually descend toward their natural levels: the levels of risk-free real interest rates compatible with output at potential and inflation at target. Although global revisions to the forecast since April have been minimal, offsetting shifts at the country group level reflect recent shocks and policies, most notably in emerging markets and developing economies. Cuts in production and shipping of commodities (oil in particular), conflicts, and civil unrest have led to downward revisions to the regional outlooks for the Middle East and Central Asia and for sub-Saharan Africa. At the same time, surging demand for semiconductors and electronics, driven by significant investment in artificial intelligence, has fueled stronger growth in emerging Asia.

Figure 1.12. Growth Outlook



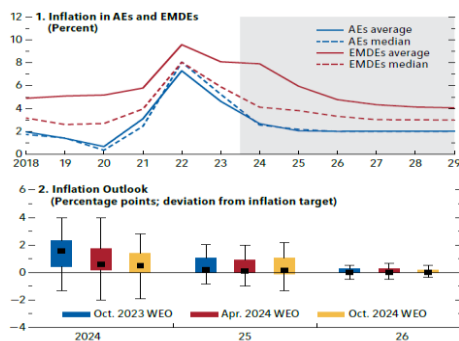
Source: IMF staff calculations.

Note: In panel 1, solid lines denote GDP growth from the October 2024 World Economic Outlook, and dashed and dotted lines denote GDP growth forecasts from the April 2024 World Economic Outlook and the October 2023 World Economic Outlook, respectively.

### Inflation Outlook: Gradual Decline to Target

Although bumps on the path to price stability are still possible, global headline inflation is projected to decrease further, from an average of 6.7 percent in 2023 to 5.8 percent in 2024 and 4.3 percent in 2025 in the baseline. Disinflation is expected to be faster in advanced economies with a decline of 2 percentage points from 2023 to 2024 and a stabilization at about 2 percent in 2025 than in emerging market and developing economies, in which inflation is projected to decline from 8.1 percent in 2023 to 7.9 percent in 2024 and then fall at a faster pace in 2025 to 5.9 percent.

Figure 1.13. Inflation Outlook



Sources: Central bank websites; Haver Analytics; and IMF staff calculations.

Note: In panel 1, the averages are calculated using purchasing-power-parity GDPs as weights. Panel 2 shows the distribution (box-whisker plot) from each WEO report. The blocks in the middle of the boxes are the medians, and the upper (lower) limits of the boxes are the third (first) quartile. The whiskers show the maximum and minimum within a boundary of 1.5 times the interquartile range from upper and lower quartiles, respectively. AEs = advanced economies; EMDEs = emerging market and developing economies; WEO = World Economic Outlook.

electricity tariffs (Chile).

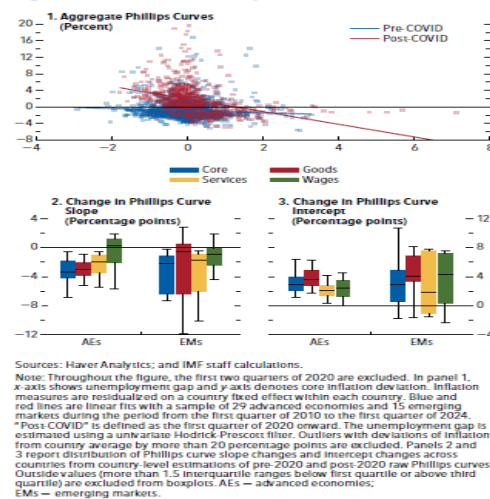
There is a great deal of variation across emerging market economies, however, which is evident in the difference between median and average inflation (Figure 1.13, panel 1). Inflation in emerging Asia is projected to be on par with that in advanced economies, at 2.1 percent in 2024 and 2.7 percent in 2025, in part thanks to early monetary tightening and price controls in many countries in the region. In contrast, inflation forecasts for emerging and developing Europe, the Middle East and North Africa, and sub-Saharan Africa remain in double-digit territory on account of large outliers amid pass-through of past currency depreciation and administrative price adjustment (Egypt) and underperformance in agriculture (Ethiopia). For most countries in Latin America and the Caribbean, inflation rates have dropped significantly from their peaks and continue to be on a downward trend. However, large countries in the region have experienced upward revisions since the April 2024 World Economic Outlook that reflect a mix of (1) robust wage growth preventing faster disinflation in the services sector (Brazil, Mexico), (2) weather events (Colombia), and (3) hikes in regulated

The decline in global inflation in 2024 and 2025 reflects a broad-based decrease in core inflation, unlike the situation in 2023, when headline inflation fell mainly because of lower fuel prices. Core inflation is expected to drop by 1.3 percentage points in 2024, following a 0.1 percentage point

### Shifting and Steepening of the Phillips Curve

Monetary policymakers pay particular attention to the relationship between economic slack and inflation, or the Phillips curve, because this relationship provides a measure of forgone employment and output as a cost of lowering inflation. Prior to the pandemic, the relationship was relatively flat, suggesting a weak trade-off between output and inflation (Blanchard 2016; Del Negro and others 2020; Hazell and others 2022; Rubbo 2023). In other words, before 2020, even when the economy was close to full employment, inflationary pressures were weak. However, during the pandemic, the empirical Phillips curve notably steepened and shifted upward. These patterns were particularly pronounced in advanced economies, and when comparisons are made across sectors, the shifting and steepening of empirical Phillips curves were somewhat more pronounced for goods than for services inflation. The steeper slope of the empirical Phillips curve implies that for a given *decrease* in economic slack, a larger increase in inflation was observed; conversely, a given *increase* in economic slack was associated with a larger decline in inflation. This pattern is consistent with the finding in the previous section that forecasts, presumably based on flatter pre pandemic Phillips curves, underestimated inflation when it was surging and overestimated it when it was declining.

Figure 2.6. Evolution of Phillips Curves



To test these relationships at the country level, the chapter estimates the empirical Phillips curve relationships country by country and compares coefficients before and after the pandemic. The results confirm that the patterns were nearly universal across advanced economies and most emerging markets. This holds true as well in a richer version of the model, which controls for other factors, including lagged inflation (to control in turn for potential mean reversion), inflation expectations, and energy and import prices.

However, the patterns were less pronounced for the empirical wage Phillips curve, which did not steepen much in either advanced economies or emerging markets but shifted upward as short-term inflation expectations increased. Because wages were less responsive, recent inflation dynamics likely did not reflect, at least not solely, excessive tightness in the labor market. The chapter’s structural model rationalizes the steepening of the Phillips curve with shocks and constraints that originate outside of the labor market.

**Risks to the Outlook: Tilted to the Downside**

The most prominent risks and uncertainties surrounding the outlook are now discussed.

*Downside Risks:* Since the July 2024 *World Economic Outlook Update*, adverse risks have gained more prominence.

- Monetary policy tightening bites more than intended.
- Financial markets reprice as a result of monetary policy reassessments.
- Sovereign debt stress intensifies in emerging market and developing economies.
- China’s property sector contracts more deeply than expected.
- Renewed spikes in commodity prices arise as a result of climate shocks, regional conflicts, or broader geopolitical tensions.
- Countries ratchet up protectionist policies.
- Social unrest resumes.

*Upside Risks:* More favourable outcomes for global growth than in the baseline forecast are also plausible.

- Stronger recovery in investment in advanced economies
- Stronger momentum of structural reforms

**Lessons for Monetary Policy: A Model-Based Analysis**

Guided by the chapter’s findings so far, this section develops a new global model with input-output linkages, the Global Dynamic Network Model, to derive further policy insights. Crucially, the model includes these features:

- Rich input-output linkages across sectors and countries. To replicate the transmission of price pressures in individual sectors to core inflation, as in the empirical section, the model considers multiple sectors that are connected through input-output linkages. Relative demand for each sector can change both as a response to prices rising more in some sectors and if households' tastes change, as happened, for example, when demand for goods relative to services rose during the pandemic lockdowns. Because it features two countries with trade linkages, the model can assess the role of synchronized global tightening.
- Occasionally binding supply constraints. The model features sectoral constraints, in the form of limits on the maximum employment level of firms, that bind occasionally. These constraints mimic supply bottlenecks, and as will be shown, they are a key ingredient for rationalizing the recent steepening of the aggregate Phillips curve documented in the empirical section and observed in many countries (Gudmundsson, Jackson, and Portillo 2024; Comin, Johnson, and Jones 2023). In normal times, employment is rarely near these limits. However, in extreme cases such as lockdowns, in which the maximum employment in a sector may fall, or demand may surge in certain sectors (durable goods is an example), then these constraints can limit production. Such dynamics would result in higher prices in sectors with binding supply constraints and would also trickle down to the rest of the economy, especially if constrained sectors are major providers of inputs to other sectors and those inputs are not easily substitutable.
- Aggregate and sectoral shocks. Given the potential role of monetary and fiscal stimulus during an episode, the model allows for monetary policy shocks as well as shocks to aggregate demand, in addition to a rich set of sectoral demand and supply shifts

### **Social Acceptability of Reforms: A Primer**

In essence, structural reforms are policy changes that modify acquired rights and economic rents with the aim of improving the allocation of resources in the economy. As such, they inevitably create winners (the beneficiaries from efficiency gains) and losers (those whose rents or acquired rights the reforms affect negatively). For instance, reforms to foster competition can boost output and reduce prices, benefiting workers and consumers throughout the economy, but the immediate targets are the rents of the few firms with market power under existing rules and the workers in those firms.

The implications for the acceptability of reforms are, however, less straightforward than simply identifying winners and losers and eventually offsetting losses. Gains and losses from reforms are unevenly distributed not only across society, but also over time (Blanchard and Gavazzi 2003). Costs are often more evident in the short term and concentrated in a few well-organized and easily mobilized groups, whereas gains are diffused and mostly accrue slowly over time. This dynamic makes the status quo appealing, as its costs are not immediately apparent, and the materialization of payoffs is uncertain (Fernandez and Rodrik 1991; Tompson 2009).

Securing social acceptability for reforms can be challenging, even when they are designed to balance increasing overall welfare with fairly compensating those who are adversely affected. A growing body of literature has pointed out that public resistance is not based solely on objective economic self-interest grounded in individuals' socioeconomic characteristics, such as employment status, age, and education level.

Individuals' views on policies—and consequently, the social acceptability of reforms—are also significantly influenced by their beliefs and perceptions, including those regarding the effects of policies and the willingness or ability of policymakers to implement them as promised.

For instance, lack of trust in plans to compensate those affected by policy changes has either derailed tax and subsidy reforms or required the use of earmarking schemes and other commitment solutions at the cost of efficiency considerations (Guillaume, Zyttek, and Farzin 2011; Douenne and Fabre 2022; Kanbur and Levy 2022). Similarly, if potential winners do not comprehend how a policy change will benefit them, they may not trust or support it (Stantcheva 2021; Dechezleprêtre and others 2022; Alfaro, Chen, and Chor 2023; Dabla-Norris and others 2023; Duval and others 2024).

With these considerations in mind, the rest of the chapter investigates how policymakers can enhance the social acceptability of policies, with the ultimate objective of implementing and sustaining structural reforms. It focuses on policies that have been previously identified as critical to facilitating the reallocation of resources across sectors and boosting labor supply amid aging populations but does not explore their macroeconomic effects or what constitutes solid policy design since this has been covered extensively.

### **The Challenge of Implementing Structural Reforms: Key Facts**

Despite the well-recognized challenges of passing structural reforms, there is a surprising lack of cross-country data documenting both successful and unsuccessful reform attempts. To fill this void, this chapter constructs a new database

that tracks product and labor market reform episodes during 1996–2023 (Online Annex 3.2).<sup>2</sup> The documented reforms aimed to ease product market regulation to increase competition in the electricity sector (PMR-electricity hereafter), provide incentives for labor participation among elder workers (elder LP hereafter), and increase the integration of foreign-born workers into labor markets (migrant integration hereafter). The database is constructed using text analysis of quarterly country reports from the Economist Intelligence Unit (EIU) spanning 26 advanced economies, 36 emerging market economies, and 14 low-income countries. For each policy area covered, it allows each country-year observation to be classified into one of three categories: no relevant reform was under discussion, a reform was under discussion but was not yet implemented, or a reform was implemented.<sup>3</sup> Validation tests confirm that the data set accurately captures reform information from the EIU reports.

A first notable observation is that the number of reform episodes, including those when policy changes were discussed but not implemented, has declined over time in almost all policy fields and country groups (Figure 3.2). Splitting the sample in half around the time of the global financial crisis shows a particularly sharp drop in PMR-electricity reform episodes—despite still-large cross-country heterogeneity in regulatory stances. The pace of elder LP reforms in advanced economies and emerging market economies has also slowed in recent years, notwithstanding rising longevity. The reduction in reform intensity could reflect shrinking scope for reforms in some policy areas and countries, such as PMR in network sectors in advanced economies. However, it has coincided with a documented increase in social discontent, notably since the global financial crisis, as captured by episodes of civil unrest, as well as distrust in public institutions, dissatisfaction with democracy, and lower voter turnout (OECD 2021). This suggests that less appetite for policy change among the public may have deterred policymakers from even attempting needed reforms.

The data also reveal how difficult it has been historically to pass reforms. Only about 50 percent of all PMR-electricity and elder LP reforms that have been discussed in advanced economies over the past three decades were eventually implemented. The implementation rate for elder LP reforms in emerging market economies is comparable, whereas for PMR-electricity was nonetheless resisted by the public, as evidenced by strikes, protests, or riots: roughly 22 percent of migrant integration episodes, 30 percent in the case of PMR-electricity episodes, and as many as 40 percent for elder LP reform episodes. In many of those episodes, policymakers had to scale down the scope of the reform to secure its implementation (for instance, this occurred in nearly 40 percent of resisted elder LP reform episodes and in as many as 45 percent of episodes in the second half of the sample). Moreover, public resistance need not always preclude implementation, but it may affect the sustainability of a reform. Indeed, additional analysis reveals that among reforms that were enacted but later reversed, a higher share had faced resistance when implemented.

(Source: <https://www.imf.org/en/Publications/WEO/Issues/2024/10/22/world-economic-outlook-october-2024>)

## INDIAN INDUSTRY OVERVIEW

Strong economic growth in the first quarter of FY23 helped India overcome the UK to become the fifth-largest economy after it recovered from the COVID-19 pandemic shock. Nominal GDP or GDP at Current Prices for Q1 2024-25 is estimated at ₹ 77.31 lakh crores (US\$ 928.9 billion) with growth rate of 9.7%, compared to the growth of 8.5% for Q1 2023-24. The growth in nominal GDP during 2023-24 is estimated at 9.6% as compared to 14.2% in 2022-23. Strong domestic demand for consumption and investment, along with Government's continued emphasis on capital expenditure are seen as among the key driver of the GDP in the second half of FY24. During the period April-September 2025, India's exports stood at US\$ 211.46 billion, with Engineering Goods (26.57%), Petroleum Products (16.51%) and electronic goods (7.39%) being the top three exported commodity. Rising employment and increasing private consumption, supported by rising consumer sentiment, will support GDP growth in the coming months.



Future capital spending of the government in the economy is expected to be supported by factors such as tax buoyancy, the streamlined tax system with low rates, a thorough assessment and rationalisation of the tariff structure, and the digitization of tax filing. In the medium run, increased capital spending on infrastructure and asset-building projects is set to increase growth multipliers. The contact-based services sector has demonstrated promise to boost growth by

unleashing the pent-up demand. The sector's success is being captured by a number of HFIs (High-Frequency Indicators) that are performing well, indicating the beginnings of a comeback.

India has emerged as the fastest-growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships.

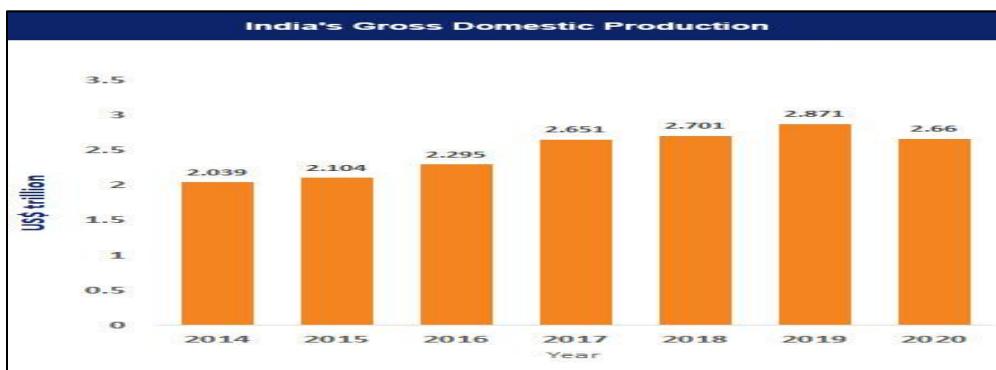
India's appeal as a destination for investments has grown stronger and more sustainable because of the current period of global unpredictability and volatility, and the record amounts of money raised by India-focused funds in 2022 are evidence of investor faith in the "Invest in India" narrative.

### MARKET SIZE

Real GDP or GDP at Constant (2011-12) Prices for the period Q1 2024-25 is estimated at ₹ 43.64 lakh crore (US\$ 524 billion), against the First Revised Estimates (FRE) of GDP for the year Q1 2023-24 of ₹ 40.91 lakh crore (US\$ 491 million). The growth in real GDP during 2023-24 is estimated at 8.2% as compared to 7.0% in 2022-23. There are 113 unicorn startups in India, with a combined valuation of over US\$ 350 billion. As many as 14 tech startups are expected to list in 2024 Fintech sector poised to generate the largest number of future unicorns in India. With India presently has the third-largest unicorn base in the world. The government is also focusing on renewable sources by achieving 40% of its energy from non-fossil sources by 2030. India is committed to achieving the country's ambition of Net Zero Emissions by 2070 through a five-pronged strategy, 'Panchamrit'. Moreover, India ranked 3rd in the renewable energy country attractive index.

According to the McKinsey Global Institute, India needs to boost its rate of employment growth and create 90 million non-farm jobs between 2023 to 2030 in order to increase productivity and economic growth. The net employment rate needs to grow by 1.5% per annum from 2023 to 2030 to achieve 8-8.5% GDP growth between same time periods. India's current account deficit (CAD) narrowed to 0.7% of GDP in FY24. The CAD stood at US\$ 9.7 billion for the Q1 2024-25 from US\$ 8.9 billion in Q1 2023-24 or 1.1% of GDP. This was largely due to decrease in merchandise trade deficit.

Exports fared remarkably well during the pandemic and aided recovery when all other growth engines were losing steam in terms of their contribution to GDP. Going forward, the contribution of merchandise exports may waver as several of India's trade partners witness an economic slowdown. According to Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles Mr. Piyush Goyal, Indian exports are expected to reach US\$ 1 trillion by 2030.



### RECENT DEVELOPMENTS

India is primarily a domestic demand-driven economy, with consumption and investments contributing to 70% of the economic activity. With an improvement in the economic scenario and the Indian economy recovering from the Covid-19 pandemic shock, several investments and developments have been made across various sectors of the economy. According to World Bank, India must continue to prioritise lowering inequality while also putting growth-oriented policies into place to boost the economy. In view of this, there have been some developments that have taken place in the recent past. Some of them are mentioned below.

- According to HSBC Flash India PMI report, business activity surged in April to its highest level in about 14 years as well as sustained robust demand. The composite index reached 62.2, indicating continuous expansion since August 2021, alongside positive job growth and decreased input inflation, affirming India's status as the fastest-growing major economy.
- As of October 11, 2024, India's foreign exchange reserves stood at US\$ 690.43 billion.
- In 1H 2024, India saw a total of US\$ 31.5 billion in PE-VC investments.
- India secured 39th position out of 133 economies in the Global Innovation Index 2024. India rose from 81st position in 2015 to 39th position in 2024. India ranks 3rd position in the global number of scientific publications.

- In September 2024, the gross Goods and Services Tax (GST) stood at highest monthly revenue collection at ₹ 1.73 lakh crore (US\$ 20.83 billion).
- Between April 2000–June 2024, cumulative FDI equity inflows to India stood at US\$ 1,013.45 billion.
- In August 2024, the overall IIP (Index of Industrial Production) stood at 145.6. The Indices of Industrial Production for the mining, manufacturing and electricity sectors stood at 125.1, 147.1 and 219.3, respectively.
- According to data released by the Ministry of Statistics & Programme Implementation (MoSPI), India's Consumer Price Index (CPI) based retail inflation reached 5.49% (Provisional) for September 2024.
- Foreign Institutional Investors (FII) inflows between April-July (2023-24) were close to ₹ 80,500 crore (US\$ 9.67 billion), while Domestic Institutional Investors (DII) sold ₹ 4,500 crore (US\$ 540.56 million) in the same period. As per depository data, Foreign Portfolio Investors (FPIs) invested (US\$ 13.89 billion) in India during January- (up to 15th July) 2024.
- The wheat procurement during Rabi Marketing Season (RMS) 2024-25 (till May) was estimated to be 266 lakh metric tonnes (LMT) and the rice procured in Kharif Marketing Season (KMS) 2024-25 was 400 LMT.

## **GOVERNMENT INITIATIVES**

Over the years, the Indian government has introduced many initiatives to strengthen the nation's economy. The Indian government has been effective in developing policies and programmes that are not only beneficial for citizens to improve their financial stability but also for the overall growth of the economy. Over recent decades, India's rapid economic growth has led to a substantial increase in its demand for exports. Besides this, a number of the government's flagship programmes, including Make in India, Start-up India, Digital India, the Smart City Mission, and the Atal Mission for Rejuvenation and Urban Transformation, is aimed at creating immense opportunities in India. In this regard, some of the initiatives taken by the government to improve the economic condition of the country are mentioned below:

- In July 2024, the Ministry of Finance held the Union Budget and announced that for 2024-25, the total receipts other than borrowings and the total expenditure are estimated at ₹ 32.07 lakh crore (US\$ 383.93 billion) and ₹ 48.21 lakh crore (US\$ 577.16 billion), respectively.
- In February 2024, the Finance Ministry announced the total expenditure in Interim 2024-25 estimated at ₹ 47,65,768 crore (US\$ 571.64 billion) of which total capital expenditure is ₹ 11,11,111 crore (US\$ 133.27 billion).
- On January 22, 2024, Prime Minister Mr. Narendra Modi announced the 'Pradhan Mantri Suryodaya Yojana'. Under this scheme, 1 crore households will receive rooftop solar installations.
- On September 17, 2023, Prime Minister Mr. Narendra Modi launched the Central Sector Scheme PM-VISHWAKARMA in New Delhi. The new scheme aims to provide recognition and comprehensive support to traditional artisans & craftsmen who work with their hands and basic tools. This initiative is designed to enhance the quality, scale, and reach of their products, as well as to integrate them with MSME value chains.
- On August 6, 2023, Amrit Bharat Station Scheme was launched to transform and revitalize 1309 railway stations across the nation. This scheme envisages development of stations on a continuous basis with a long-term vision.
- On June 28, 2023, the Ministry of Environment, Forests, and Climate Change introduced the 'Draft Carbon Credit Trading Scheme, 2023'.
- From April 1, 2023, Foreign Trade Policy 2023 was unveiled to create an enabling ecosystem to support the philosophy of 'Aatmanirbhar Bharat' and 'Local goes Global'.
- To enhance India's manufacturing capabilities by increasing investment and production in the sector, the government of India has introduced the Production Linked Incentive Scheme (PLI) for Pharmaceuticals.
- Prime Minister's Development Initiative for North-East Region (PM-DevINE) was announced in the Union Budget 2022-23 with a financial outlay of ₹ 1,500 crore (US\$ 182.35 million).
- Prime Minister Mr Narendra Modi has inaugurated a new food security scheme for providing free food grains to Antyodaya Ann Yojna (AAY) & Primary Household (PHH) beneficiaries, called Pradhan Mantri Garib Kalyan Ann Yojana (PMGKAY) from January 1, 2023.
- The Amrit Bharat Station scheme for Indian Railways envisages the development of stations on a continuous basis with a long-term vision, formulated on December 29, 2022, by the Ministry of Railways.

- On October 7, 2022, the Department for Promotion of Industry, and Internal Trade (DPIIT) launched Credit Guarantee Scheme for Start-ups (CGSS) aiming to provide credit guarantees up to a specified limit by start-ups, facilitated by Scheduled Commercial Banks, Non-Banking Financial Companies and Securities and Exchange Board of India (SEBI) registered Alternative Investment Funds (AIFs).
- Telecom Technology Development Fund (TTDF) Scheme was launched in October 2022 by the Universal Service Obligation Fund (USOF), a body under the Department of Telecommunications. The objective is to fund R&D in rural-specific communication technology applications and form synergies among academia, start-ups, research institutes, and the industry to build and develop the telecom ecosystem.
- Home & Cooperation Minister Mr. Amit Shah laid the foundation stone and performed Bhoomi Pujan of Tanot Mandir Complex Project under Border Tourism Development Programme in Jaisalmer in September 2022.
- In August 2022, Mr. Narendra Singh Tomar, Minister of Agriculture and Farmers Welfare inaugurated four new facilities at the Central Arid Zone Research Institute (CAZRI), which has been rendering excellent services for more than 60 years under the Indian Council of Agricultural Research (ICAR).
- In August 2022, a Special Food Processing Fund of ₹ 2,000 crore (US\$ 242.72 million) was set up with National Bank for Agriculture and Rural Development (NABARD) to provide affordable credit for investments in setting up Mega Food Parks (MFP) as well as processing units in the MFPs.
- In July 2022, Deendayal Port Authority (DPA) announced plans to develop two Mega Cargo Handling Terminals on a Build-Operate-Transfer (BOT) basis under Public-Private Partnership (PPP) Mode at an estimated cost of ₹ 5,963 crore (US\$ 747.64 million).
- In July 2022, the Union Cabinet chaired by Prime Minister Mr. Narendra Modi, approved the signing of the Memorandum of Understanding (MoU) between India & Maldives. This MoU will provide a platform to tap the benefits of information technology for court digitization and can be a potential growth area for IT companies and start-ups in both countries.
- India and Namibia entered a Memorandum of Understanding (MoU) on wildlife conservation and sustainable biodiversity utilization on July 20, 2022, for establishing the cheetah into the historical range in India.
- In July 2022, the Reserve Bank of India (RBI) approved international trade settlements in Indian rupees (Rs.) to promote the growth of global trade with emphasis on exports from India and to support the increasing interest of the global trading community.
- The Agnipath Scheme aims to develop a young and skilled armed force backed by an advanced warfare technology scheme by providing youth with an opportunity to serve Indian Army for a 4-year period. It is introduced by the Government of India on June 14, 2022.
- In June 2022, Prime Minister Mr. Narendra Modi inaugurated and laid the foundation stone of development projects worth ₹ 21,000 crore (US\$ 2.63 billion) at Gujarat Gaurav Abhiyan at Vadodara.
- Mr. Rajnath Singh, Minister of Defence, launched 75 newly developed Artificial Intelligence (AI) products/technologies during the first-ever 'AI in Defence' (AIDef) symposium and exhibition organized by the Ministry of Defence in New Delhi on July 11, 2022.
- In June 2022, Prime Minister Mr. Narendra Modi laid the foundation stone of 1,406 projects worth more than ₹ 80,000 crore (US\$ 10.01 billion) at the ground-breaking ceremony of the UP Investors Summit in Lucknow. The Projects encompass diverse sectors like Agriculture and Allied industries, IT and Electronics, MSME, Manufacturing, Renewable Energy, Pharma, Tourism, Defence & Aerospace, and Handloom & Textiles.
- The Indian Institute of Spices Research (IISR) under the Indian Council for Agricultural Research (ICAR) inked a Memorandum of Understanding (MoU) with Lysterra LLC, a Russia-based company for the commercialization of bio capsule, an encapsulation technology for bio-fertilization on June 30, 2022.
- As of April 2022, India signed 13 Free Trade Agreements (FTAs) with its trading partners including major trade agreements like the India-UAE Comprehensive Partnership Agreement (CEPA) and the India-Australia Economic Cooperation and Trade Agreement (IndAus ECTA).



- 'Mission Shakti' was applicable with effect from April 1, 2022, aimed at strengthening interventions for women's safety, security, and empowerment.
- The Union Budget of 2022-23 was presented on February 1, 2022, by the Minister for Finance & Corporate Affairs, Ms. Nirmala Sitharaman. The budget had four priorities PM GatiShakti, Inclusive Development, Productivity Enhancement and Investment, and Financing of Investments. In the Union Budget 2022-23, effective capital expenditure is expected to increase by 27% at ₹ 10.68 trillion (US\$ 142.93 billion) to boost the economy. This will be 4.1% of the total Gross Domestic Production (GDP).
- Strengthening of Pharmaceutical Industry (SPI) was launched in March 2022 by the Ministry of Chemicals & Fertilisers to provide credit linked capital and interest subsidy for Technology Upgradation of MSME units in pharmaceutical sector, as well as support of up to ₹ 20 crore (US\$ 2.4 million) each for common facilities including Research centre, testing labs and ETPs (Effluent Treatment Plant) in Pharma Clusters, to enhance the role of MSMEs.
- Under PM GatiShakti Master Plan, the National Highway Network will develop 25,000 km of new highways network, which will be worth ₹ 20,000 crore (US\$ 2.67 billion). In 2022-23. Increased government expenditure is expected to attract private investments, with a production-linked incentive scheme providing excellent opportunities. Consistently proactive, graded, and measured policy support is anticipated to boost the Indian economy.
- In February 2022, The Ministry of Social Justice & Empowerment launched the Scheme for Economic Empowerment of Denotified/Nomadic/SemiNomadic tribal communities (DNTs) (SEED) to provide basic facilities like good quality coaching, and health insurance. livelihoods initiative at a community level and financial assistance for the construction of houses.
- In February 2022, Minister for Finance and Corporate Affairs Ms. Nirmala Sitharaman said that productivity linked incentive (PLI) schemes would be extended to 14 sectors to achieve the mission of Aatmanirbhar Bharat and create 60 lakh jobs with an additional production capacity of ₹ 30 trillion (US\$ 401.49 billion) in the next five years.
- In the Union Budget of 2022-23, the government announced funding for the production-linked incentive (PLI) scheme for domestic solar cells and module manufacturing of ₹ 24,000 crore (US\$ 3.21 billion).
- In the Union Budget of 2022-23, the government announced a production-linked incentive (PLI) scheme for Bulk Drugs which was an investment of ₹ 2,500 crore (US\$ 334.60 million).
- In the Union Budget of 2022, Minister for Finance & Corporate Affairs Ms. Nirmala Sitharaman announced that a scheme for design-led manufacturing in 5G would be launched as part of the PLI scheme.
- In September 2021, Union Cabinet approved major reforms in the telecom sector, which are expected to boost employment, growth, competition, and consumer interests. Key reforms include rationalization of adjusted gross revenue, rationalization of bank guarantees (BGs), and encouragement of spectrum sharing.
- In the Union Budget of 2022-23, the government has allocated ₹ 44,720 crore (US\$ 5.98 billion) to Bharat Sanchar Nigam Limited (BSNL) for capital investments in the 4G spectrum.
- Minister for Finance & Corporate Affairs Ms. Nirmala Sitharaman allocated ₹ 650 crore (US\$ 86.69 million) for the Deep Ocean mission that seeks to explore vast marine living and non-living resources. Department of Space (DoS) has got ₹ 13,700 crore (US\$ 1.83 billion) in 2022-23 for several key space missions like Gaganyaan, Chandrayaan-3, and Aditya L-1 (sun).
- In May 2021, the government approved the production-linked incentive (PLI) scheme for manufacturing advanced chemistry cell (ACC) batteries at an estimated outlay of ₹ 18,100 crore (US\$ 2.44 billion); this move is expected to attract domestic and foreign investments worth ₹ 45,000 crore (US\$ 6.07 billion).
- Minister for Finance & Corporate Affairs Ms. Nirmala Sitharaman announced in the Union Budget of 2022-23 that the Reserve Bank of India (RBI) would issue Digital Rupee using blockchain and other technologies.
- In the Union Budget of 2022-23, Railway got an investment of ₹ 2.38 trillion (US\$ 31.88 billion) and over 400 new high-speed trains were announced. The concept of "One Station, One Product" was also introduced.
- To boost competitiveness, Budget 2022-23 has announced reforming the 16-year-old Special Economic Zone (SEZ) act.

- In June 2021, the RBI (Reserve Bank of India) announced that the investment limit for FPI (foreign portfolio investors) in the State Development Loans (SDLs) and government securities (G-secs) would persist unaffected at 2% and 6%, respectively, in FY22.
- In November 2020, the Government of India announced ₹ 2.65 trillion (US\$ 36 billion) stimulus package to generate job opportunities and provide liquidity support to various sectors such as tourism, aviation, construction, and housing. Also, India's cabinet approved the production-linked incentives (PLI) scheme to provide ~Rs. 2 trillion (US\$ 27 billion) over five years to create jobs and boost production in the country.
- Numerous foreign companies are setting up their facilities in India on account of various Government initiatives like Make in India and Digital India. Prime Minister of India Mr. Narendra Modi launched the Make in India initiative with an aim to boost the country's manufacturing sector and increase the purchasing power of the average Indian consumer, which would further drive demand and spur development, thus benefiting investors. The Government of India, under its Make in India initiative, is trying to boost the contribution made by the manufacturing sector with an aim to take it to 25% of the GDP from the current 17%. Besides, the government has also come up with the Digital India initiative, which focuses on three core components: the creation of digital infrastructure, delivering services digitally, and increasing digital literacy.
- On January 29, 2022, the National Asset Reconstruction Company Ltd (NARCL) will acquire bad loans worth up to ₹ 50,000 crore (US\$ 6.69 billion) about 15 accounts by March 31, 2022. India Debt Resolution Co. Ltd (IDRCL) will control the resolution process. This will clean up India's financial system, help fuel liquidity, and boost the Indian economy.
- National Bank for Financing Infrastructure and Development (NaBFID) is a bank that will provide non-recourse infrastructure financing and is expected to support projects from the first quarter of FY23; it is expected to raise ₹ 4 trillion (US\$ 53.58 billion) in the next three years.
- By November 1, 2021, India, and the United Kingdom hope to begin negotiations on a free trade agreement. The proposed FTA between these two countries is likely to unlock business opportunities and generate jobs. Both sides have renewed their commitment to boost trade in a manner that benefits all.
- In August 2021, Prime Minister Mr. Narendra Modi announced an initiative to start a national mission to reach the US\$ 400 billion merchandise export target by FY22.
- In August 2021, Prime Minister Mr. Narendra Modi launched a digital payment solution, e-RUPI, a contactless and cashless instrument for digital payments.
- In April 2021, Dr. Ahmed Abdul Rahman AlBanna, Ambassador of the UAE to India and Founding Patron of IFIICC, stated that trilateral trade between India, the UAE and Israel is expected to reach US\$ 110 billion by 2030.
- India is expected to attract investment of around US\$ 100 billion in developing the oil and gas infrastructure during 2019-23.
- The Government of India is expected to increase public health spending to 2.5% of the GDP by 2025.

## **ROAD AHEAD**

In the second quarter of FY24, the growth momentum of the first quarter was sustained, and high-frequency indicators (HFIs) performed well in July and August of 2023. India's comparatively strong position in the external sector reflects the country's positive outlook for economic growth and rising employment rates. India ranked 5th in foreign direct investment inflows among the developed and developing nations listed for the first quarter of 2022.

India's economic story during the first half of the current financial year highlighted the unwavering support the government gave to its capital expenditure, which, in 2023-24, stood 37.4% higher than the same period last year. In the budget of 2024-25, capital expenditure took lead by steeply increasing the capital expenditure outlay by 17.1 % to Rs.11 lakh crore (US\$ 133.51 billion) over ₹ 9.48 lakh crore (US\$ 113.91 billion) in 2023-24. Stronger revenue generation because of improved tax compliance, increased profitability of the company, and increasing economic activity also contributed to rising capital spending levels.

Since India's resilient growth despite the global pandemic, India's exports climbed at the second-highest rate with a year-over-year (YoY) growth of 8.39% in merchandise exports and a 29.82% growth in service exports till April 2023. With a reduction in port congestion, supply networks are being restored. The CPI-C inflation reduction from June 2022 already reflects the impact. In September 2023 (Provisional), CPI-C inflation was 5.02%, down from 7.01% in June 2022. With

a proactive set of administrative actions by the government, flexible monetary policy, and a softening of global commodity prices and supply-chain bottlenecks, inflationary pressures in India look to be on the decline overall.

(Source : <https://www.ibef.org/economy/indian-economy-overview>)

## **MANUFACTURING SECTOR IN INDIA:**

### **INTRODUCTION**

Manufacturing is emerging as an integral pillar in the country's economic growth, thanks to the performance of key sectors like automotive, engineering, chemicals, pharmaceuticals, and consumer durables. The Indian manufacturing industry generated 16-17% of India's GDP pre-pandemic and is projected to be one of the fastest growing sectors.

The machine tool industry was literally the nuts and bolts of the manufacturing industry in India. Today, technology has stimulated innovation with digital transformation a key aspect in gaining an edge in this highly competitive market.

Technology has today encouraged creativity, with digital transformation being a critical element in gaining an advantage in this increasingly competitive industry. The Indian manufacturing sector is steadily moving toward more automated and process-driven manufacturing, which is projected to improve efficiency and enhance productivity.

India's manufacturing sector reached a 16-year high in March, with the HSBC Manufacturing Purchasing Managers' Index (PMI) rising to 59.1, driven by strong increases in output, new orders, and job creation across various goods sectors.

India has the capacity to export goods worth US\$ 1 trillion by 2030 and is on the road to becoming a major global manufacturing hub.

With 17% of the nation's GDP and over 27.3 million workers, the manufacturing sector plays a significant role in the Indian economy. Through the implementation of different programmes and policies, the Indian government hopes to have 25% of the economy's output come from manufacturing by 2025.

India now has the physical and digital infrastructure to raise the share of the manufacturing sector in the economy and make a realistic bid to be an important player in global supply chains.

A globally competitive manufacturing sector is India's greatest potential to drive economic growth and job creation this decade. Due to factors like power growth, long-term employment prospects, and skill routes for millions of people, India has a significant potential to engage in international markets. Several factors contribute to their potential. First off, these value chains are well positioned to benefit from India's advantages in terms of raw materials, industrial expertise, and entrepreneurship.

Second, they can take advantage of four market opportunities: expanding exports, localising imports, internal demand, and contract manufacturing. With digital transformation being a crucial component in achieving an advantage in this fiercely competitive industry, technology has today sparked creativity. Manufacturing sector in India is gradually shifting to a more automated and process driven manufacturing which is expected to increase the efficiency and boost production of the manufacturing industry.

India is gradually progressing on the road to Industry 4.0 through the Government of India's initiatives like the National Manufacturing Policy which aims to increase the share of manufacturing in GDP to 25 percent by 2025 and the PLI scheme for manufacturing which was launched in 2022 to develop the core manufacturing sector at par with global manufacturing standards.

FDI in India's manufacturing sector has reached US\$ 165.1 billion, a 69% increase over the past decade, driven by production-linked incentive (PLI) schemes. In the last five years, total FDI inflows amounted to US\$ 383.5 billion.

India is planning to offer incentives of up to ₹ 18,000 crore (US\$ 2.2 billion) to spur local manufacturing in six new sectors including chemicals, shipping containers, and inputs for vaccines.

India's mobile phone manufacturing industry anticipates creating 150,000 to 250,000 direct and indirect jobs within the next 12-16 months, driven by government incentives, and increased global demand. Major players like Apple and its contract manufacturers, along with Dixon Technologies, are expanding their workforce to meet growing production needs.

### **MARKET SIZE**

Manufacturing exports have registered their highest ever annual exports of US\$ 447.46 billion with 6.03% growth during FY23 surpassing the previous year (FY22) record exports of US\$ 422 billion. By 2030, Indian middle class is expected to have the second-largest share in global consumption at 17%.

India's gross value added (GVA) at current prices was estimated at US\$ 770.08 billion as per the quarterly estimates of the first quarter of FY24.

India's e-commerce exports are projected to grow from US\$ 1 billion to US\$ 400 billion annually by 2030, aiding in achieving US\$ 2 trillion in total exports.

India's smartphone exports surged by 42% in FY24, reaching US\$ 15.6 billion, with the US as the top destination, reflecting the success of the Production-Linked Incentive (PLI) scheme in boosting the sector.

As per the survey conducted by Reserve Bank of India, capacity utilisation in India's manufacturing sector stood at 76.8% in the third quarter of FY24, indicating a significant recovery in the sector.

India's GDP surged by 8.4% in the October-December quarter, surpassing expectations.

GDP growth was driven by robust performances in the manufacturing and construction sectors, with the manufacturing sector expanding by 11.6% annually and the construction sector growing by 9.5%.

India's overall exports during the April-June period of 2024-25 are estimated to be US\$ 109.11 billion, reflecting a positive growth of 7% over the April-June period of 2023-24.

The manufacturing sector of India has the potential to reach US\$ 1 trillion by 2025-26.

India has potential to become a global manufacturing hub and by 2030, it can add more than US\$ 500 billion annually to the global economy. As per the economic survey reports, estimated employment in manufacturing sector in India was 5.7 crore in 2017-18, 6.12 crore in 2018-19 which was further increased to 6.24 crore in 2019-20. India's display panel market is estimated to grow from ~US\$ 7 billion in 2021 to US\$ 15 billion in 2025.

The manufacturing GVA at current prices was estimated at US\$ 110.48 billion in the first quarter of FY24.

### **INVESTMENT**

Some of the major investments and developments in this sector in the recent past are:

- India's defence exports soared by 78% in Q1 FY25, reaching ₹ 6,915 crore (US\$ 828 million). This growth reflects the country's push for self-reliance in defence manufacturing, with total exports hitting a record ₹ 20,915 crore (US\$ 2.51 billion) in FY24, marking a 25% increase from the previous year.
- Sansera Engineering Limited has signed an MoU with the Karnataka government to invest ₹ 2,100 crore (US\$ 251 million) in a new manufacturing facility in Ramanagara, aiming to create 3,500 jobs and enhance production capacity in the automotive and non-automotive sectors over the next three to five years.
- Google is set to begin manufacturing Pixel smartphones in India, specifically in Tamil Nadu, in collaboration with Foxconn and Dixon Technologies. This production aims to cater primarily to export markets in Europe and the US, with operations expected to start in September 2024. The initiative comes as Google prepares to launch its Pixel 9 series in India on August 13, leveraging India's Production-Linked Incentive (PLI) scheme to enhance manufacturing scalability.
- Maruti Suzuki has begun exporting the Made-in-India Fronx compact SUV to Japan, marking its first SUV launch in the Japanese market. Manufactured at its Gujarat plant, the first shipment of over 1,600 vehicles has already left for Japan, with the official launch planned for autumn 2024.
- According to the Department for Promotion of Industry and Internal Trade (DPIIT), India received a total foreign direct investment (FDI) inflow of US\$ 48.03 billion in FY23.
- Between April 2000-March 2024:
  - The automobile sector received FDI inflows of US\$ 36.26 billion.
  - The chemical manufacturing sector (excluding fertilisers) received FDI inflows worth US\$ 22.14 billion.
  - The drug and pharmaceutical manufacturing sector received FDI inflows worth US\$ 22.52 billion.
  - The Food Processing Industries received FDI inflows worth US\$ 12.58 billion.
- India's manufacturing sector activity continued to expand in November 2023, with the S&P Global Purchasing Managers' Index (PMI) reaching 56.
- During the financial year 2022-23, around 1.39 crore net members were added by EPFO with an increase of 13.22% compared to the previous financial year 2021-22 wherein EPFO had added approximately 1.22 crore net members.
- Mobile phone exports from India nearly doubled to reach US\$ 5.5 billion, by August in FY24, with the government anticipating mobile phone exports worth ₹ 1 trillion (US\$ 12 billion) this year.
- In February 2024, the Manufacturing Purchasing Managers' Index (PMI) in India stood at 56.9.
- In FY23, the Manufacturing Purchasing Managers' Index (PMI) in India stood at 55.6.
- For the month of January 2024, the Quick Estimates of Index of Industrial Production (IIP) with base 2011-12 stands at 153.0. The Indices of Industrial Production for the Mining, Manufacturing and Electricity sectors for the month of January 2024 stand at 144.1, 150.1 and 197.1, respectively.
- The Index of Industrial Production (IIP) from April-January 2024 stood at 143.4.
- The combined index of eight core industries stood at 150.3 for April-November 2023 against 139.4 for April-November 2022.
- The cumulative index of eight core industries increased by 8.6% during April-October 2023-24 over the corresponding period of the previous year.

- India's manufacturing sector, driven by pharmaceuticals, motor vehicles, and cement, demonstrated resilience despite weak global demand in July-August 2023. PMI remained robust, reflecting domestic economic strength. Capacity utilization in manufacturing trended upwards, signalling positive investment prospects. RBI MPC maintained policy repo rate to control inflation.
- India aims for US\$ 100 billion annual foreign direct investment (FDI) in the coming years, according to Union Minister of Information and Broadcasting Mr. Ashwini Vaishnaw, as part of the government's strategy focused on infrastructure investment, social upliftment, manufacturing growth, and simplification of business processes, amidst projections of consistent 6-8% economic growth over the next decade.
- At the aggregate level, the capacity utilization (CU) in the manufacturing sector increased to 74.0% in Q2:2023-24 from 73.6% in the previous quarter.
- In FY23, the export of the top 6 major commodities (Engineering goods, Petroleum products, Gems and Jewellery, Organic and Inorganic chemicals, and Drugs and Pharmaceuticals) stood at US\$ 295.21 billion.
- In FY24, the Manufacturing Purchasing Managers' Index (PMI) in India stood at 59.1.
- India's manufacturing industry witnessed its fastest expansion in 16 years in March, with the HSBC final India Manufacturing Purchasing Managers' Index (PMI) soaring to 59.1, the highest since February 2008. This surge was fuelled by increased demand, resulting in notable improvements in new orders, output, input stocks, and job creation, as reported by S&P Global.
- In May 2024, the Manufacturing Purchasing Managers' Index (PMI) in India stood at 57.5.
- India's overall exports during the April-February period of 2023-24 are estimated to be US\$ 709.81 billion, reflecting a marginal positive growth of 0.83% over the April-February period of 2022-23. In February 2024 alone, exports stood at US\$ 73.55 billion, showing a growth of 14.20% compared to the same month in the previous year.
- The Employees' Provident Fund Organization (EPFO) added 8.41 lakh people in December 2023.
- The latest payroll data shows a significant increase in female workforce participation. Out of 8.41 lakh new members, around 2.09 lakh are female, the highest in three months. This marks a 7.57% increase from November 2023. Additionally, the net female member addition stood at approximately 2.90 lakh, up by about 3.54% from the previous month.
- Amazon Inc's cloud computing division, Amazon Web Services, became the latest company to invest in India. The company has planned to invest US\$13 billion (over Rs 1 lakh crore) in India by 2030 to build its cloud infrastructure and create thousands of jobs.
- For the month of April 2024, the Quick Estimates of Index of Industrial Production (IIP) with base 2011-12 stands at 147.7. The Indices of Industrial Production for the Mining, Manufacturing and Electricity sectors for the month of January 2024 stand at 130.8, 144.2, and 212.0, respectively.
- On February 29, 2024, India approved the construction of three semiconductor plants with investments exceeding \$15 billion. These plants aim to establish India as a major chip hub, with Tata Electronics, Tata Semiconductor Assembly and Test Pvt Ltd, and CG Power spearheading the projects in Gujarat and Assam. This initiative aligns with India's goal to bolster its semiconductor ecosystem and create numerous advanced technology jobs.
- In October 2021, information technology major Zoho, announced that it will invest ₹ 50–100 crore (US\$ 6.7-13.4 million) and form a new company, that will focus on research and development (R&D) in the manufacturing sector.
- India's GDP surged in the January-March quarter, growing 7.8%, exceeding the 6.7% forecast. Manufacturing rebounded by 9.9%, contrasting with last year's contraction. GDP for the fiscal year hit 8.2%. IMF projects India as the world's fourth-largest economy by 2025.
- India's gross value added (GVA) at current prices was estimated at US\$ 506.35 billion as per the quarterly estimates of the fourth quarter of FY24.

- In August 2021, Wistron Corp. collaborated with India's Optimus Electronics to manufacture products such as laptops and smartphones, giving a major boost to the 'Make in India' initiative and electronics manufacturing in the country.
- In April 2021, Samsung started manufacturing mobile display panels at its Noida plant and plans to ramp up manufacturing IT display panels soon.
- Samsung Display Noida, which has invested ₹ 4,825 crore (US\$ 650.42 million) to move its mobile and IT display manufacturing plant from China to Uttar Pradesh, has received special incentives from the state government.
- In April 2021, Bharti Enterprises Ltd., and Dixon Technologies (India) Ltd., formed a joint venture to take advantage of the government's PLI scheme for the manufacturing of telecom and networking products.

## **GOVERNMENT INITIATIVES**

The Government of India has taken several initiatives to promote a healthy environment for the growth of manufacturing sector in the country. Some of the notable initiatives and developments are:

- In the interim budget 2024, the allocation for the Production Linked Incentive (PLI) Scheme for various sectors saw a substantial increase, with notable examples including a 360% rise to Rs 6,903 crore (US\$ 830 million) for the Semiconductors and Display Manufacturing Ecosystem and a 623% surge to Rs 3,500 crore (US\$ 421 million) for the Automobile sector.
- In the interim budget 2024, there was commendable fiscal responsibility demonstrated alongside significant investments in infrastructure, including emphasis on affordable housing, clean energy, and technological advancement. Additionally, the budget allocated funds for the creation of a Rs 1-lakh crore (US\$ 12 billion) innovation fund for sunrise domains, providing a substantial boost for the startup industry. Moreover, there was a notable focus on promoting the shift to electric vehicles (EV) through the expansion of EV charging networks, thereby offering opportunities for small vendors in manufacturing and maintenance.
- In the Interim Union Budget 2024-25, the Ministry of Defence has been allocated ₹ 621,541 crore (US\$ 74.78 billion), marking a significant increase of approximately 4.72% from the previous allocation of ₹ 593,538 crore (US\$ 71.41 billion).
- Union Minister of Education and Skill Development & Entrepreneurship, Mr. Dharmendra Pradhan inaugurates Rashtriya Udyamita Vikas Pariyojana under Skill India Mission, empowering PM SVANidhi beneficiaries with comprehensive 22-week entrepreneurship training, including theoretical and practical components, in collaboration with Flipkart and focusing on 40% women participation.
- Semiconductor associations IESA and SEMI signed a Memorandum of Understanding (MoU) in Bengaluru to establish India as a global manufacturing hub, focusing on talent development, policies, design, skilling, research, academia, and supply chains, leveraging SEMI's international network and IESA's expertise.
- Under the Skill India mission, Pradhan Mantri Kaushal Vikas Yojana (PMKVY) has trained over 1.40 crore candidates since 2015, as per Skill India Digital data until December 13, 2023. Notably, in the Short-term Training (STT) program, 42% of certified candidates found placement opportunities, with 24.39 lakh candidates successfully placed out of 57.42 lakh certified.
- In the Union Budget 2023-24: Startups incorporated within a time-period and meeting other conditions can deduct up to 100% of their profits; the end of this period has been extended from March 31, 2023, to March 31, 2024. In addition, the period within which losses of startups may be carried forward has been extended from seven to ten years.
- As per the Union Budget 2023 – 24, the income tax rate for new co-operative societies engaged in manufacturing activities has been lowered from 22% to 15% (plus 10% surcharge).
- The upper limit on turnover for MSMEs to be eligible for presumptive taxation has been raised from ₹ 2 crore (US\$ 2,43,044) to ₹ 3 crore (US\$ 3,64,528). The upper limit on gross receipts for professionals eligible for presumptive taxation has been raised from ₹ 50 lakh (US\$ 60,754) to ₹ 75 lakh (US\$ 91,132).
- The Centre will facilitate one crore farmers to adopt natural farming. For this, 10,000 Bio-Input Resource Centres will be set-up, creating a national-level distributed micro-fertilizer and pesticide manufacturing network.

- To further deepen domestic value addition in manufacture of mobile phones, the finance minister announced relief in customs duty on import of certain parts and inputs like camera lens. The concessional duty on lithium-ion cells for batteries will continue for another year. Basic customs duty on parts of open cells of TV panels has been reduced to 2.5%. The Budget also proposes changes in the basic customs duty to rectify inversion of duty structure and encourage manufacturing of electrical kitchen chimneys.
- Ministry of Defence has set a target of achieving a turnover of US\$ 25 billion in aerospace and defence manufacturing by 2025, which includes US\$ 5 billion exports. Till October 2022, a total of 595 Industrial Licences have been issued to 366 companies operating in Defence Sector.
- A new category of capital procurement 'Buy {Indian-IDD (Indigenously Designed, Developed and Manufactured)}' has been introduced in Defence Procurement Procedure (DPP)-2016.
- By 2030, the Indian government expects the electronics manufacturing sector to be worth US\$ 300 billion.
- Moreover, the government's endeavours such as Modified Special Incentive Scheme (M-SIPS), Electronics Manufacturing Clusters, Electronics Development Fund and National Policy on Electronics 2019 (NPE 2019) have been a huge success.

## **ROAD AHEAD**

India is an attractive hub for foreign investments in the manufacturing sector. Several mobile phone, luxury, and automobile brands, among others, have set up or are looking to establish their manufacturing bases in the country. The manufacturing sector of India has the potential to reach US\$ 1 trillion by 2025. The implementation of the Goods and Services Tax (GST) will make India a common market with a GDP of US\$ 3.4 trillion along with a population of 1.48 billion people, which will be a big draw for investors. The Indian Cellular and Electronics Association (ICEA) predicts that India has the potential to scale up its cumulative laptop and tablet manufacturing capacity to US\$ 100 billion by 2025 through policy interventions.

One of the initiatives by the Government of India's Ministry for Heavy Industries & Public Enterprises is SAMARTH Udyog Bharat 4.0, or SAMARTH Advanced Manufacturing and Rapid Transformation Hubs. This is expected to increase competitiveness of the manufacturing sector in the capital goods market. With impetus on developing industrial corridors and smart cities, the Government aims to ensure holistic development of the nation. The corridors would further assist in integrating, monitoring, and developing a conducive environment for the industrial development and will promote advance practices in manufacturing.

Source : <https://www.ibef.org/industry/manufacturing-sector-india>

## **FIBER REINFORCED POLYMER (FRP) COMPOSITES MARKET OVERVIEW**

### **KEY MARKET INSIGHTS**

The global Fiber Reinforced Polymer (FRP) composites market size was valued at USD 91.21 billion in 2023 and is projected to grow from USD 98.12 billion in 2024 to USD 189.80 billion by 2032 at a CAGR of 7.6% during 2024-2032. Asia Pacific dominated the fiber reinforced polymer composites (FRP) market with a market share of 43.59% in 2023. Moreover, the fiber reinforced polymer composites market in the U.S. is projected to grow significantly, reaching an estimated value of USD 43.67 billion by 2032, driven by the increasing adoption of FRP composites in various end-use industries such as automotive, construction, and aerospace.

Fiber Reinforced Polymer (FRP) composites are materials made by combining a polymer matrix with a fibrous reinforcing dispersed phase. The polymer matrix, which is typically a type of plastic, binds the fibers together and helps distribute loads and stresses between them. The fibers, which are usually made from materials such as glass, carbon, aramid, or basalt, provide strength and stiffness to the composite. This combination results in a material that is lightweight, strong, and durable, making FRP composites popular for use in a variety of applications, including aerospace, automotive, marine, and construction industries.

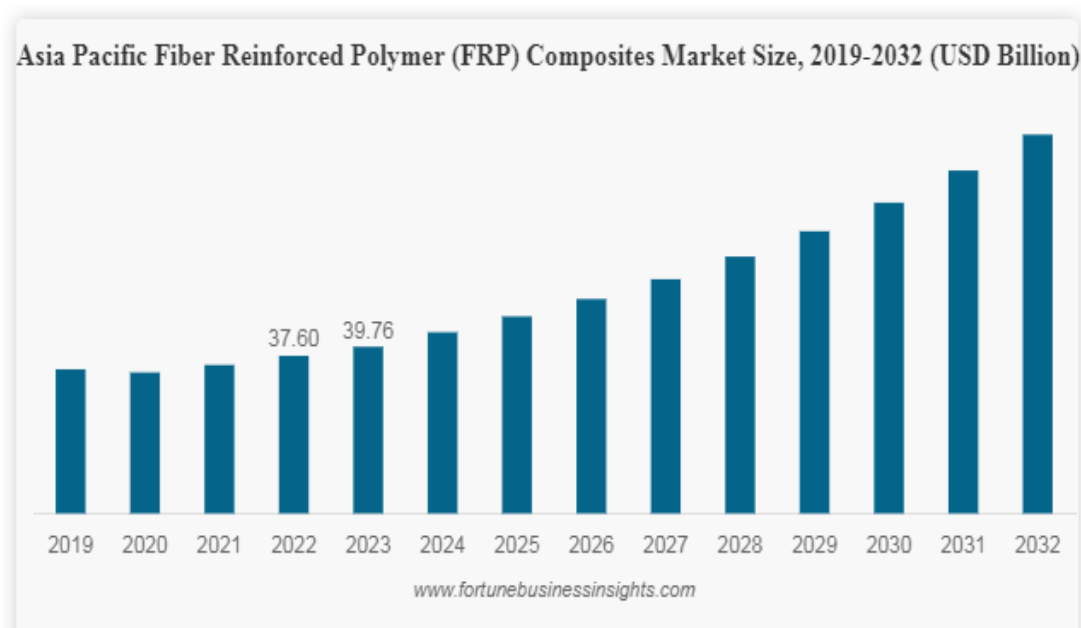
The Fiber Reinforced Polymer (FRP) composites market is experiencing rapid growth, characterized by the incorporation of fibers such as glass, carbon, or aramid embedded in a polymer matrix to create a lightweight and strong material. FRP composites are widely used in various industries, including aerospace, automotive, construction, and sports equipment, due to their high strength-to-weight ratio, corrosion resistance, and durability. The market is expected to grow in the coming years due to increased demand for lightweight and high-performance materials.

The COVID-19 pandemic significantly impacted the global economy, affecting the production and supply of FRP composites. Many FRP manufacturing facilities had to shut down, resulting in decreased production rates temporarily. Additionally, the shutdown of various industries' manufacturing facilities caused a shortage of FRP worldwide. These unprecedented times had affected multiple sectors, causing a dip in the availability of FRP composites

### **FIBER REINFORCED POLYMER (FRP) COMPOSITES MARKET TRENDS**

#### ***Growing Adoption of Electric Vehicles is Encouraging FRP Composites Market Growth***

The switch to electric vehicles is driving the demand for Fiber Reinforced Polymer (FRP) composites in the market. These composites are lightweight, durable, and offer a high strength-to-weight ratio, making them a perfect fit for the automotive industry. As the world is moving toward more sustainable and eco-friendly means of transportation, the demand for electric vehicles is on the rise, and so is the demand for FRP composites. As per a study conducted by the IEA, electric car sales in 2022 are more than 10 million, with the share of electric cars increasing from 4% in 2020 to 14% in 2022. Such growth is also expected in the coming years.



### **FIBER REINFORCED POLYMER (FRP) COMPOSITES MARKET GROWTH FACTORS**

#### ***Increasing Demand for GFRP Composites in Transportation to Drive Market Growth***

The market for glass fiber reinforced polymer (GFRP) composites is witnessing growth due to the increasing demand in the construction and transport sector. The lightweight and high-strength properties of GFRP composites make them a popular choice for automotive, aerospace, and marine applications. This results in fuel efficiency and reduced emissions, making it an attractive option for environmentally conscious consumers.

The demand for glass fiber reinforced polymer (GFRP) composites has been on the rise in recent years due to their superior properties compared to traditional materials. Glass fiber reinforced polymer (GFRP) composites are lightweight, have high strength, and excellent corrosion resistance. This makes them an ideal choice for a transportation application. As the benefits of glass fiber reinforced polymer (GFRP) composites become more widely recognized, the demand for these materials is expected to continue to increase in the years ahead.

### **RESTRAINING FACTORS**

#### ***High Cost of Raw Material Restraining the Fiber Reinforced Polymer (FRP) Market Development***

The market is facing a significant challenge due to the high cost of raw materials. This challenge is limiting the Fiber Reinforced Polymer (FRP) composites market growth as manufacturers struggle to maintain competitive pricing while ensuring profitability. Despite the many advantages of FRP composites, such as their high strength and durability, the



cost issue emerges as a major obstacle for the industry. As a result, companies are exploring various options to reduce costs and improve efficiency, including alternative raw materials and new manufacturing processes. Thus, higher prices of raw materials retrain the growth of the market during the forecast period.

## **FIBER REINFORCED POLYMER (FRP) COMPOSITES MARKET SEGMENTATION ANALYSIS**

### **By Type Analysis**

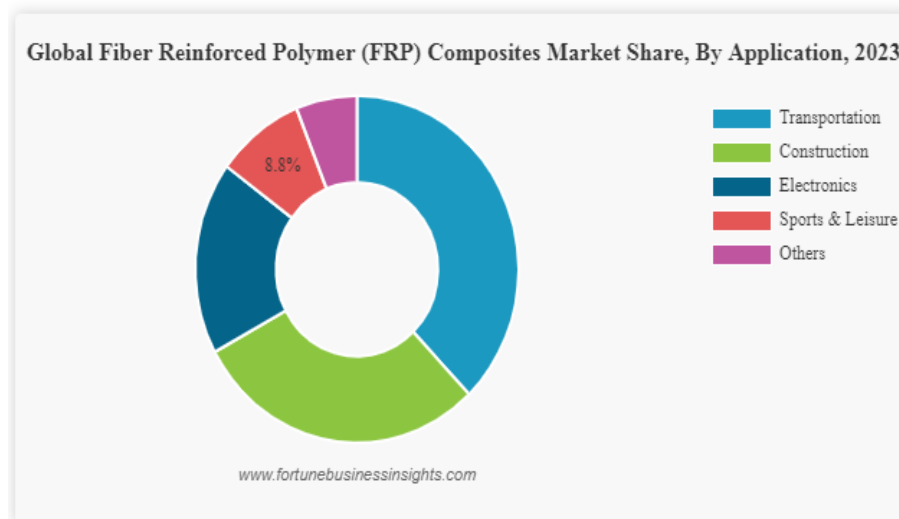
#### ***Glass Fiber-reinforced Polymer Segment Holds a Dominant Share as it is Suitable for a Variety of Applications***

Based on type, the market is segmented into Glass Fiber-reinforced polymer, Carbon Fiber-reinforced Polymer, and others. The Glass Fiber-reinforced Polymer (GFRP) segment dominates the FRP composites market, experiencing high demand for GFRP products across various industries such as construction, automotive, and aerospace. GFRP composites offer numerous benefits, including a high strength-to-weight ratio, corrosion resistance, and design flexibility. These advantages have led to a surge in demand for GFRP composites, which is expected to continue in the coming years.

The Carbon Fiber-reinforced Polymer (CFRP) segment is growing significantly in the FRP composites market. With its exceptional strength, stiffness, and lightweight properties, CFRP is increasingly being used in a wide range of applications, from aerospace to automotive and construction. The impressive performance of Carbon Fiber-reinforced Polymer (CFRP) has made it an attractive alternative to traditional materials such as steel and aluminium, which are not as strong or lightweight.

Furthermore, the growing demand for fuel-efficient vehicles and increasing environmental regulations have resulted in a surge in the adoption of CFRP in the automotive industry. The use of Carbon Fiber-reinforced Polymer (CFRP) in vehicles reduces weight, which in turn improves fuel efficiency and reduces emissions. This has prompted automotive manufacturers to invest heavily in CFRP technology, further driving the growth of the market.

### **By Application Analysis**



Based on application, the market is fragmented into transportation, construction, electronics, sports & leisure, and others. The transportation segment accounts for the major Fiber Reinforced Polymer (FRP) composites market share. These lightweight and durable materials are used in various applications, including body panels, underbody shields, and structural components, contributing to fuel efficiency, reduced emissions, and improved safety in the automotive sector. Moreover, the demand for FRP composites in the automotive industry is expected to grow in the coming years, driven by the need to meet stringent regulations and the growing trend toward electric vehicles. Manufacturers are investing heavily in R&D to develop innovative solutions that offer higher performance at a lower cost. Due to the increasing benefits of these materials, the automotive segment will continue to dominate the FRP market.

The construction industry is rapidly adopting Fiber Reinforced Polymer (FRP) composites due to their exceptional strength, durability, and lightweight characteristics. These materials are being used in various applications, such as reinforcing concrete, improving seismic resistance, and as cladding materials for buildings. The use of FRP composites in construction has many advantages, including reduced maintenance costs, improved safety, and increased lifespan of structures. Moreover, the construction segment in the FRP market is expected to grow significantly in the coming years, driven by the increasing demand for sustainable and cost-effective solutions. As a result, manufacturers are investing in

R&D to develop new products that cater to the specific needs of the construction industry. With the growing awareness of the benefits of FRP composites, the construction segment is rapidly growing in the FRP market.

Similarly, the FRP composites market is experiencing positive growth in certain industries, such as electronics and sports. In the electronics industry, Fiber Reinforced Polymer (FRP) composites are used to manufacture printed circuit boards. In contrast, in the sports industry, they are used to make equipment such as hockey sticks, tennis rackets, and more. With the constant need for innovation and improvement, more and more companies are turning to Fiber Reinforced Polymer (FRP) composites to gain a competitive edge.

*Source:* <https://www.fortunebusinessinsights.com/fiber-reinforced-polymer-composites-frp-market-102905>

## OUR BUSINESS

The following information is qualified in its entirety by, and should be read together with, the detailed financial and other information included in this Draft Red Herring Prospectus, including the information contained in the section titled “**Risk Factors**”, beginning on page 34 of this Draft Red Herring Prospectus.

This section should be read in conjunction with, and is qualified in its entirety by, the detailed information about our Company and its financial statements, including the notes thereto, in the section titled “**Risk Factors**”, “**Financial Statement**” beginning on page 34 and 216 respectively, of this Draft Red Herring Prospectus.

Unless otherwise stated or the context otherwise requires, in relation to business operations, in this section of this Draft Red Herring Prospectus, all references to “we”, “us”, “our” and “our Company” are to “ARC Insulation & Insulators Limited”. Unless otherwise stated or the context otherwise requires, the financial information used in this section is derived from our Restated Financial Statements.

### OVERVIEW OF OUR BUSINESS

Our Company incorporated on September 10, 2008, specializes in the manufacturing and supply of Glass Fiber Reinforced Polymers (“**GFRP**”)/Fiber Reinforced Polymers Products (“**FRP**”) composite/constituency products which provides corrosion-resistant, tensile strength and insulating Glass Fiber Reinforced Polymer (GFRP) solutions which can be used as a substitute for steel bars/rebars. We produce dent-resistant, low thermal expansion, corrosion resistant, and insulating GFRP. Our offerings include GFRP Rebars, GFRP Granting Walkways, GFRP Pipelines, GFRP Tubes, GFRP Fencing for Transformers, GFRP Cable Trays, and other related products designed for industrial, energy and marine’s sectors construction and industrial applications. In addition to our core business, the company acquired the ongoing business of our promoter, ‘M/s ARC Insulation & Insulators,’ a sole proprietorship, through a business transfer agreement dated June 01, 2009. Under our brand name “**ARC**”, we supply our products for application in diverse industries including Infrastructure, Power, Cooling Tower, Chemical, Composite, Electrical Substation, Mining and others. For more information, please refer to the section titled “**History and Other Corporate Matters**” starting on page 180 of this Draft Red Herring Prospectus.

We have one manufacturing plant which is located at Ramdevpur Village, Parganas South (West Bengal) (“Manufacturing Facility”). Our Manufacturing Facility has separate seamless and welded divisions with latest product-specific equipment and machineries including Universal Testing Machine, Electronic Extensometer, GFRP Rock Bolt Making Machine, APC-2.01, Aluminium Casting Heater, 4-2 Boring Deptyhal etc. Further, we have a storage facility at our Manufacturing Facility for the purposes of holding inventories of raw material as well as finished products which ensures stability of operations.

ARC’s GFRP products offer significant cost savings through extended durability and present an environmentally friendly alternative with a reduced carbon footprint compared to traditional steel and concrete. We are committed to helping our clients create smarter and more sustainable infrastructure, aligning with the increasing demand for eco-conscious and circular solutions, thereby strengthening our position in the market.

We hold ISO 9001:2015 certification and as an ISO-certified organization, for the scope of design, manufacturing and supply of GFRP products and is equipped with Universal Testing Machine and other equipment to check the quality of our products as per the specifications of our customers. We have dedicated quality assurance team of 8 employees including professionals (Mechanical Engineers, Structural Design Engineers, Civil and Quality Engineers), which closely monitors the exceptional quality of our products throughout the production process.

Our basic raw material includes glass fibers and resins and we procure our raw materials based on market availability, pricing and quality through two main channels (i) domestic suppliers (ii) international suppliers from China, Thailand etc. The cost of materials consumed (including purchase of Raw materials and changes in inventory) by us in our operations accounted for 51.76%, 51.68%, 65.42% and 72.83% of our revenue from operations for seven months period ended October 31, 2024 and for the financial year(s) ended March 31, 2024, 2023 and 2022, respectively.

Spearheading our company's strategic direction and operational oversight are Mr. Manish Bajoria (Promoter and Managing Director) and Ms. Neelam Bajoria (Promoter and Executive Director), who are dedicated to steering the company towards sustainable success through comprehensive leadership and management which is the guiding force behind all the strategic decisions of our Company. Their knowledge about the industry and understanding also gives us the key competitive advantage enabling us to expand our customer presence in existing as well as target markets, while exploring new growth avenues. In the future, we plan to expand our export business to tap into new international markets, diversify our revenue streams, and strengthen our global presence. As a part of our marketing and promotional activity, we employ marketing techniques such as participation in Exhibitions like The World of Concrete India (WOC) in October 2024 and Indian Road Congress (IRC) Exhibition in November 2024, Assam in August 2024 for showcasing our products

to a wide audience of buyers, both domestically and internationally. The exhibitions and advertisements give us a platform to exhibit our products.

<b>Our Mission:</b>	To pioneer innovative composite material solutions that enable stronger, more durable and sustainable infrastructure and industrial assets.
<b>Our Vision:</b>	To be a global leader in advanced GFRP/FRP composites through continuous research, development of next-generation products, and technical excellence in serving diverse industries.

Our company has established itself as a name in the GFRP/FRP industry through hard work and steady progress. This commitment to stringent quality measures has enabled the company to deliver impeccable end products and create a niche in the industrial segments it serves, earning the trust of consultants and clients alike.

## OUR CLIENTELE

Our current clientele consists of clients from various industries who use our products in their line of business. Operating on a global scale, we understand the diverse needs of GFRP/FRP products worldwide. Through our product portfolio and customized offerings, we empower manufacturers to meet consumer demands while maintaining product quality and shelf life. The facility is equipped with the machineries and technologies, allowing us to serve a global clientele as well as a diverse domestic clientele across various states in India.

## TOP 10 CUSTOMERS AND SUPPLIERS

Percentage of our Top 10 Customers of Total Sales:

(₹ in Lakhs)

Particulars*	For the period and Financial Year ended							
	October 31, 2024		March 31, 2024		March 31, 2023		March 31, 2022	
	Revenue	In %	Revenue	In %	Revenue	In %	Revenue	In %
Customer 1	399.76	21.28	438.69	15.52	333.64	13.91	141.95	12.30
Customer 2	166.50	8.86	214.45	7.59	307.51	12.82	123.97	10.74
Customer 3	151.70	8.08	202.21	7.16	231.83	9.67	81.39	7.05
Customer 4	147.70	7.86	194.18	6.87	195.00	8.13	74.05	6.42
Customer 5	111.93	5.96	168.90	5.98	159.86	6.67	62.00	5.37
Customer 6	104.10	5.54	153.48	5.43	156.74	6.54	59.03	5.12
Customer 7	93.04	4.95	109.51	3.88	147.88	6.17	53.39	4.63
Customer 8	84.77	4.51	103.85	3.68	108.34	4.52	45.78	3.97
Customer 9	83.87	4.47	97.14	3.44	72.11	3.01	33.97	2.94
Customer 10	81.62	4.35	92.86	3.29	70.94	2.96	31.76	2.75
<b>Total</b>	<b>1424.99</b>	<b>75.87</b>	<b>1775.26</b>	<b>62.82</b>	<b>1783.85</b>	<b>74.38</b>	<b>707.29</b>	<b>61.28</b>

\*Note: Names of our top 10 customers have not been disclosed due to lack of receipt of consent and confidentiality reasons

Percentage of Top 10 Suppliers of total Purchases:

(₹ in Lakhs)

Particulars*	For the period and Financial Year ended							
	October 31, 2024		March 31, 2024		March 31, 2023		March 31, 2022	
	Purchase	In %	Purchase	In %	Purchase	In %	Purchase	In %
Supplier 1	362.28	40.04	270.97	18.95	399.15	27.50	298.68	38.63
Supplier 2	136.30	15.06	155.17	10.85	207.59	14.30	163.24	21.12
Supplier 3	84.92	9.38	142.50	9.96	131.80	9.08	110.69	14.32
Supplier 4	64.32	7.11	87.38	6.11	121.73	8.39	53.90	6.97
Supplier 5	61.14	6.75	82.18	5.75	105.82	7.29	41.84	5.41
Supplier 6	48.58	5.37	81.98	5.73	84.86	5.85	23.53	3.04
Supplier 7	32.57	3.60	81.22	5.68	61.20	4.22	19.03	2.46
Supplier 8	27.15	3.00	71.32	4.99	61.12	4.21	11.68	1.51
Supplier 9	16.19	1.79	63.33	4.43	45.12	3.11	7.09	0.92
Supplier 10	16.16	1.79	56.07	3.92	35.41	2.44	6.07	0.78
<b>Total</b>	<b>849.55</b>	<b>93.88</b>	<b>1092.12</b>	<b>76.36</b>	<b>1253.81</b>	<b>86.39</b>	<b>735.76</b>	<b>95.17</b>

\*Note: Names of our top 10 suppliers have not been disclosed due to lack of receipt of consent and confidentiality reasons

## OUR REVENUE BREAKUP

The Geographical Area wise Breakup of Revenue is as follows:

Particulars	7 months ended 31st October, 2024		Financial year ended March 31, 2024		Financial year ended March 31, 2023		Financial year ended March 31, 2022	
	Amount (in ₹ lakhs)	% of Total Revenue	Amount (in ₹ lakhs)	% of Total Revenue	Amount (in ₹ lakhs)	% of Total Revenue	Amount (in ₹ lakhs)	% of Total Revenue
Exports	25.38	1.35%	43.49	1.54%	119.81	5.00%	117.19	10.15%
Domestic	1,852.95	98.65%	2,782.26	98.46%	2,278.45	95.00%	1,036.98	89.85%
<b>Total</b>	<b>1,878.33</b>	<b>100.00%</b>	<b>2,825.75</b>	<b>100.00%</b>	<b>2,398.25</b>	<b>100.00%</b>	<b>1,154.17</b>	<b>100.00%</b>

The State Wise Breakup of our Domestic Revenue is as follows:

(₹ In lakhs)

Particulars	For period and financial year ended on			
	October 31, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Andhra Pradesh	104.10	32.33	0.89	-
Himachal Pradesh	-	-	5.60	-
Arunachal Pradesh	0.38	0.75	-	-
Assam	1.69	3.19	41.00	10.80
Bihar	111.93	256.49	333.64	1.48
Chhattisgarh	-	153.48	-	-
Delhi	66.91	430.16	106.83	150.59
Goa	1.06	0.99	-	-
Gujarat	-	177.18	25.97	72.98
Haryana	-	3.43	2.19	2.45
Jammu & Kashmir	-	42.38	195.00	-
Jharkhand	1.46	0.70	30.18	2.83
Madhya Pradesh	-	302.65	51.99	-
Maharashtra	84.92	119.33	23.13	32.06
Odisha	-	10.90	-	4.93
Rajasthan	-	86.62	113.17	6.86
Karnataka	46.60	-	90.26	178.39
Tamil Nadu	405.22	780.40	866.56	164.50
Kerala	-	-	-	4.45
Telangana	0.25	-	-	19.15
Uttar Pradesh	149.29	25.57	139.62	119.92
Uttarakhand	-	-	2.08	-
West Bengal	879.14	355.71	250.34	265.59
<b>Total</b>	<b>1,852.95</b>	<b>2,782.26</b>	<b>2,278.45</b>	<b>1,036.98</b>

The Country Wise Breakup of our Export Revenue is as follows:

(₹ In lakhs)

Particulars	For period and financial year ended on			
	October 31, 2024	March 31, 2024	March 31, 2023	March 31, 2022
UAE	-	-	-	3.70
Thailand	-	-	47.69	31.76
Kenya	-	-	-	53.39
Kuwait	-	18.43	-	-
Saudi Arabia	25.38	25.06	-	28.34
Philippines	-	-	72.11	-
<b>TOTAL</b>	<b>25.38</b>	<b>43.49</b>	<b>119.81</b>	<b>117.19</b>

The Product Wise Breakup of our Revenue is as follows:

(₹ In lakhs)

Particulars	For the seven months ended, October 31, 2024	For financial year ended March 31, 2024	For financial year ended March 31, 2023	For financial year ended March 31, 2022
GFRP/FRP Rebars	1249.12	2003.43	1283.32	383.74
GFRP/FRP Grating	6.80	52.98	43.31	119.84
GFRP/FRP Pultrusion	497.00	607.44	653.78	396.61
GFRP/FRP Pipe	125.37	161.90	417.85	253.98
<b>Total</b>	<b>1,878.29</b>	<b>2,825.75</b>	<b>2,398.25</b>	<b>1,154.17</b>

Bifurcation of raw materials procured locally and internationally:

(₹ In lakhs)

Particulars	For the period and financial year ended on			
	October 31, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Domestic (In Rupees)	792.00	1211.63	1208.33	773.10
Domestic (%)	88.00	85.00	83.26	100.00
International (In Rupees)	112.90	218.50	243.00	-
International (%)	12.00	15.00	16.74	-
<b>Total</b>	<b>904.90</b>	<b>1430.13</b>	<b>1451.33</b>	<b>773.10</b>

## OUR JOURNEY

### ➤ Established (2008)

- Initially established as a private limited company in the name and style of “ARC Insulation & Insulators Private Limited” on September 10, 2008.
- Initially, we focused on manufacturing and supplying of GFRP composites and its constituency products like GFRP Rebars, GFRP grating walkway, GFRP Pipelines, GFRP Tubes, GFRP Fencing for Transformers, GFRP Cable and also includes fiberglass constituents.

### ➤ Expansion (2009-2010)

- The company has taken over the proprietorship business (established in the year 2003) of Mr. Manish Bajoria in the name and style “M/s. ARC Insulation and Insulators”. As part of this acquisition, the company has also taken over a factory previously owned by the proprietorship. This strategic acquisition facilitates the continuation of established business operations, including the integration of the manufacturing facility. The experience and leadership of the proprietor, now serving as the promoter and director of the company, ensure a smooth transition, enabling the company to leverage existing assets, operational expertise, and market relationships for future growth and expansion.
- As part of its growth strategy, the company expanded its operations to a larger manufacturing facility, added four advanced machines to increase production capacity, and successfully entered international markets. The company began exporting its products to Egypt, Kuwait, and the UAE, marking a significant milestone in its global expansion efforts and positioning itself as a competitive player in the international market.

### ➤ Increase in Export (2015-2016)

- Export turnover surpassed ₹ 5 crores in Indonesia, reflecting a significant increase in the demand of GFRP Product.

### ➤ Product Diversification (2018-2019)

- The company has commenced the production of bend rebars, diversifying its product offerings and enhancing its portfolio in the construction materials segment. This addition reflects the company's commitment to meeting industry demand and expanding its manufacturing capabilities.

### ➤ Achievements (2022-2023)

- The company has further expanded its operations by incorporating six additional machines dedicated to the production of rebars and pultrusion.
- Increased our presence in other countries including Philippines and Thailand,

➤ **Conversion (2024)**

- ARC Insulation & Insulators Private Limited was thereafter converted from Private Limited Company to a Public Limited Company under the Companies Act, 2013 with the name and style of “ARC Insulation & Insulators Limited”.

➤ **Bonus Issue (2024)**

- Rewarded the shareholders of the company by issuing Bonus Shares.

### KEY PERFORMANCE INDICATORS OF OUR COMPANY

We have a strong track record of revenue growth and profitability. The following table sets forth certain key performance indicators for the years indicated:

(₹ In lakhs)

Key Financial Performance	For the Period and the Financial Year ended			
	October 31, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Revenue from operations <sup>(1)</sup>	1,887.32	2,845.47	2,398.25	1,154.17
EBITDA <sup>(2)</sup>	745.22	905.23	428.93	113.73
EBITDA Margin <sup>(3)</sup>	39.49%	31.81%	17.89%	9.85%
PAT	503.21	610.40	263.81	23.85
PAT Margin <sup>(4)</sup>	26.67%	21.45%	11.00%	2.07%
Networth <sup>(5)</sup>	2,125.73	1,245.28	634.88	371.08
RoE % <sup>(6)</sup>	29.87%	64.93%	52.45%	6.59%
RoCE% <sup>(7)</sup>	38.16%	73.68%	53.42%	11.65%

Notes:

(1) Revenue from Operations means the Revenue from Operations as appearing in the Restated Financial Statements

(2) EBITDA is calculated as Profit before tax + Depreciation + Finance Costs - Other Income

(3) 'EBITDA Margin' is calculated as EBITDA divided by Revenue from Operations

(4) 'PAT Margin' is calculated as PAT for the period/year divided by revenue from operations.

(5) Net worth as defined under Regulation 2(1)(hh) of the SEBI ICDR Regulations means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation (6) Return on Equity is ratio of Profit after Tax and Average Shareholder Equity

(7) Return on Capital Employed is calculated as EBIT divided by average capital employed, which is defined as shareholders' equity plus long-term borrowings.

### Other Operational Indicators

Particulars	For the seven months ended, October 31, 2024	For financial year ended March 31, 2024	For financial year ended March 31, 2023	For financial year ended March 31, 2022
Total Revenue from Operations (₹ in Lakhs)	1,878.29	2,825.75	2,398.25	1,154.17
Total Actual Production (Tons)	897.33	1334.71	1216.85	671.62
Average Revenue Per Ton (₹ in Lakhs) <sup>(1)</sup>	2.09	2.12	1.97	1.72
Total No of Customers	55	83	77	92
Average Revenue Per Customer (₹ in Lakhs) <sup>(2)</sup>	34.15	34.05	31.15	12.55


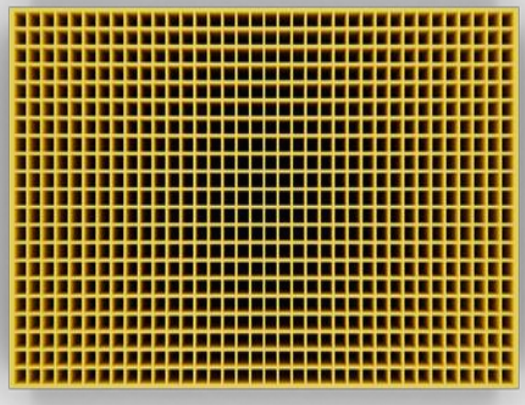
Notes:

(1) Average Revenue per Ton: Total revenue from operations divided by total actual production (tons).



(2) Average Revenue Per Customer: Total revenue from operations divided by total number of customers.

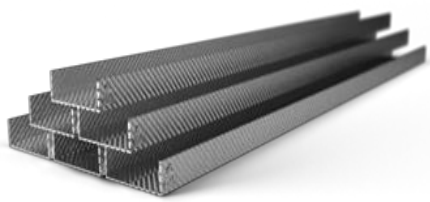
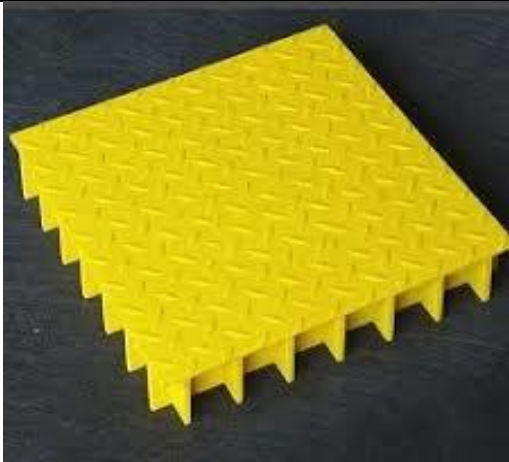
## OUR PRODUCTS


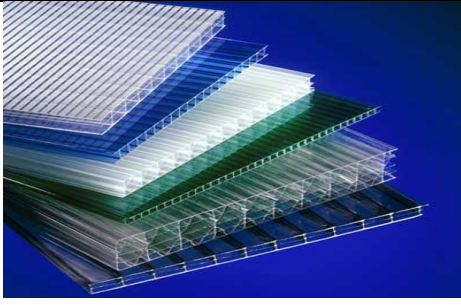
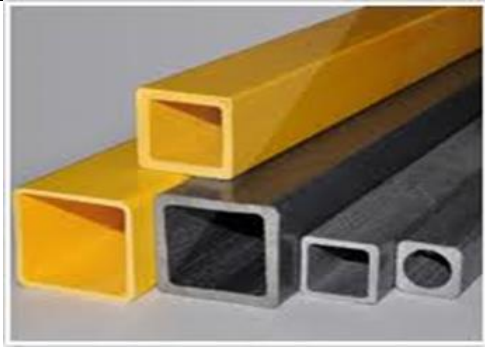
Our product portfolio comprises of GFRP/FRP products manufactured and supplied by our Company and encompass various industrial uses. The details of products are as follows:


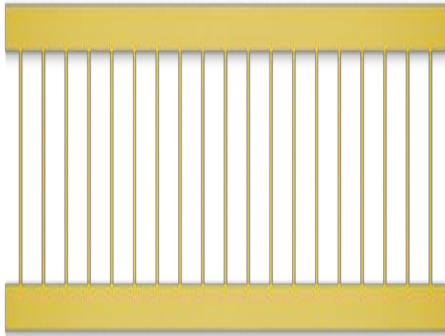

Sr. No.	Product Name	Products Description	Product Photo
1	<b>GFRP Rebars</b>	<p>GFRP (Glass Fiber Reinforced Polymer) rebars are lightweight, high-strength alternatives to steel rebars used in concrete structures. GFRP Rebars are made from fibers like glass, carbon, or basalt embedded in a polymer resin, they are highly resistant to corrosion, making them ideal for marine, chemical, and infrastructure projects exposed to harsh environments. Their non-conductive and non-magnetic properties make them suitable for electrical and sensitive installations. With a high strength-to-weight ratio and exceptional durability, GFRP rebars offer a cost-effective, long-lasting solution for projects requiring reinforced concrete in challenging conditions. In addition, the use of GFRP rebars significantly reduces the occurrence of concrete cracking, enhancing the structural integrity and lifespan of concrete constructions. Their non-magnetic properties also make them an excellent choice for applications where electromagnetic neutrality is essential, such as in medical facilities and sensitive equipment zones.</p> <p><b>End Users:</b> Chemical Industry, Coastal Area, Marinas &amp; Docs, Metal &amp; Mining, Offshore Oil &amp; Gas, Pul &amp; Paper Industry, Water Park, Construction, Warehouse and National Highway.</p>	
2	<b>FRP Grating</b>	<p>FRP (Fiber Reinforced Polymer) grating walkways offer bidirectional strength, providing robust support in both longitudinal and transverse directions. This makes them an ideal choice for high-traffic areas and heavy-duty applications, where stability and strength are essential. Engineered with an anti-slip surface, FRP grating walkways enhance safety by reducing the risk of slips and falls, even in wet or oily conditions. Their design also requires minimal maintenance, ensuring long-term performance with reduced upkeep. In addition, FRP grating walkways are highly resistant to chemicals, making them perfect for use in harsh industrial environments where exposure to corrosive substances is common. This combination of</p>	



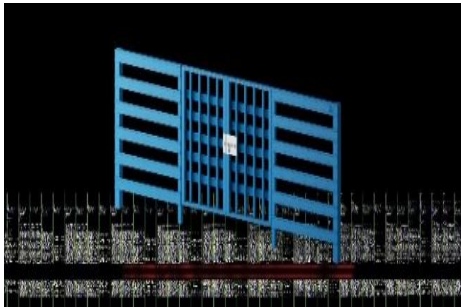


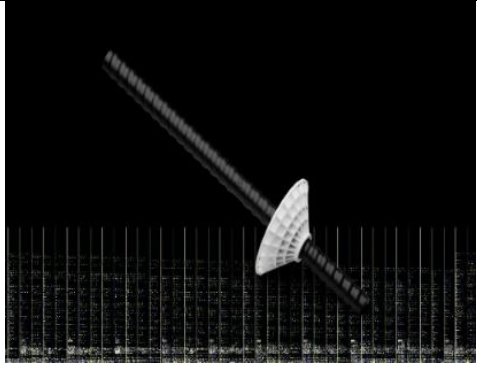
		<p>strength, safety, and chemical resistance makes FRP grating walkways a durable, low-maintenance solution for a wide range of applications.</p> <p><b>End Users:</b> Chemical Industry, Coastal Area, Cooling Tower Component, Electrical Substation Product, Hotel Application, Marinas &amp; Docs, Offshore Oil &amp; Gas, Pulp &amp; Paper Industry, Water Park and Warehouse.</p>	
3	<p><b>FRP/GRP Pipes:</b></p>	<p>FRP/GRP (Fiber/Glass Reinforced Polymer) Pipes offer exceptional chemical resistance, making them the ideal solution for industries dealing with corrosive or hazardous substances. Designed to withstand aggressive chemicals, these pipelines provide long-term protection against corrosion, ensuring leak-proof operation and enhanced safety for both the environment and personnel. The smooth interior surface of GFRP pipelines ensures efficient flow, minimizing friction and pressure loss. This results in optimized transport of liquids and gases, reducing energy consumption and operational costs. With a wide range of diameters available, GFRP pipelines can be customized to meet the specific needs of various industries, from chemical processing to wastewater treatment. Their versatility, combined with chemical resistance and durability, makes them a reliable, cost-effective solution for demanding applications.</p> <p><b>End Users:</b> Chemical Industry, Coastal Area, Cooling Tower Component, Marinas &amp; Docs and Offshore Oil &amp; Gas.</p>	
4	<p><b>FRP Tubes</b></p>	<p>FRP (Fiber Reinforced Polymer) tubes offer a perfect blend of durability and performance, making them ideal for a variety of industrial applications. Their corrosion-resistant properties ensure longevity even in harsh environments, such as those exposed to chemicals, moisture, or saltwater, minimizing the need for frequent replacements or repairs.</p> <p>Despite their lightweight nature, FRP tubes deliver exceptional strength, providing a high strength-to-weight ratio that ensures structural integrity while reducing handling and installation costs. Additionally, their excellent electrical insulation properties make them a reliable choice for applications requiring electrical safety, such as in power distribution or telecommunications.</p> <p>With their lightweight design, corrosion resistance, and strong insulation capabilities, FRP tubes offer a versatile, cost-effective solution for industries</p>	

		<p>demanding both high performance and long-term reliability.</p> <p><b>End Users:</b> Chemical Industry, Coastal Area, Cooling Tower Component, Hotel Application, Marinas &amp; Docs, Offshore Oil &amp; Gas, Pulp &amp; Paper Industry, Construction and National Highway.</p>	
5	<b>FRP Cable Trays</b>	<p>FRP (Fiber Reinforced Polymer) cable trays are used for supporting and routing electrical cables in industrial, commercial, and public infrastructure projects. These trays offer a robust, durable, flame-retardant and corrosion-resistant solution for cable management, ensuring the protection and organization of electrical cables. These trays are lightweight yet offer high strength, allowing for easy installation and reduced labour costs without compromising on structural integrity. Additionally, FRP cable trays provide non-conductive, shockproof insulation, ensuring electrical safety by eliminating the risk of electrical hazards and protecting both equipment and personnel.</p> <p><b>End Users:</b> Chemical Industry, Coastal Area, Cooling Tower Component, Electrical Substation Product, Hotel Application, Marinas &amp; Docs, Offshore Oil &amp; Gas, Pulp &amp; Paper Industry, Construction and Warehouse.</p>	
6	<b>FRP Checker Plates</b>	<p>FRP (Fiber Reinforced Polymer) checker plates are designed to provide a robust, slip-resistant surface for a variety of applications. Engineered for durability, these plates are ideal for environments where strength and safety are crucial, such as in industrial settings, walkways, and pedestrian areas. The checker plate pattern of FRP offers enhanced traction, significantly reducing the risk of slips and falls, even in wet or oily conditions. This makes them a safe choice for high-traffic areas and hazardous environments where slip resistance is essential. FRP checker plates are also known for their exceptional resistance to corrosion, chemicals, and extreme weather conditions, ensuring long-term performance with minimal maintenance. Their lightweight design simplifies handling and installation, while their high strength supports heavy loads and withstands tough conditions. Overall, FRP checker plates combine durability, safety, and ease of maintenance, making them a reliable solution for providing secure and lasting surfaces in a range of demanding applications.</p> <p><b>End Users:</b> Chemical Industry, Coastal Area, Cooling Tower Component,</p>	

		Electrical Substation Product, Hotel Application, Marinas & Docs, Offshore Oil & Gas, Pulp & Paper Industry, Water Park, Warehouse.	
7	<b>FRP Earthing Discharge Rods</b>	<p>Fiberglass earthing discharge rods are engineered for reliable electrical safety and efficiency, playing a critical role in grounding and discharging electrical systems. Constructed from high-strength fiberglass, these rods are designed to withstand the rigors of high-voltage environments while providing exceptional durability and performance. The fiberglass composition ensures that the rods are non-conductive, effectively insulating users from electrical hazards and enhancing safety during maintenance and emergency operations. Their lightweight nature facilitates easy handling and manoeuvrability, making them ideal for use in various electrical and utility applications. Additionally, fiberglass earthing discharge rods are resistant to corrosion and environmental degradation, ensuring long-term reliability in diverse weather conditions. Their robust construction and low maintenance requirements make them a cost-effective choice for safely managing electrical discharge and grounding systems.</p> <p><b>End Users:</b> Electrical Substation Product.</p>	
8	<b>FRP Sheets</b>	<p>Fiber Glass Reinforced Polymer Sheets provide high strength, thermal resistance, fire retardant/ resistance properties, hardness, environmental resistance, electrical insulation, low density and can be moulded into different shapes.</p> <p><b>End Users:</b> Chemical Industry, Cooling Tower Component, Electrical Substation Product, Offshore Oil &amp; Gas, Pulp &amp; Paper Industry, Warehouse.</p>	
9	<b>FRP/GFRP Structural/ Pultruded Profiles</b>	<p>Fiber Glass Reinforced Polymer Pultruded Products are used in Industrial Structure, utility poles, railway structures, chemical processing plants, safety equipment like ladders, handrails etc. due to their high strength-to-weight ratio, corrosion resistance, durability and long service life. Pultruded composite shapes (profiles) exhibit robust performance characteristics as of standard metal shapes and closely resemble the steel profiles typically used in construction, but offer distinct advantages over these materials, serving as a substitute to steel and other metal structure.</p> <p><b>End Users:</b> Chemical Industry, Coastal Area, Cooling Tower Component, Hotel Application, Marinas &amp; Docs, Offshore Oil</p>	

		& Gas, Pulp & Paper Industry, Construction and National Highway.	
10	<b>GFRP Rods</b>	<p>GFRP (Glass Fiber Reinforced Polymer) rods are commonly used in electrical and telecommunications systems for cable support, grounding, and reinforcement, as well as in construction, marine, oil and gas, and chemical industries. Their non-conductive properties make them safe for electrical applications, while their durability ensures long-lasting performance in harsh environments.</p> <p><b>End Users:</b> Construction Industry.</p>	
11	<b>FRP/GRP Ladders</b>	<p>FRP/GRP (Fiber/Glass Reinforced Polymer) ladders are designed for easy installation and provide safe access to cooling tower components. They withstand harsh environments, ensuring long-term performance and reliability, essential for maintaining efficient cooling operations. Cooling Towers benefits from GFRP ladders, offering corrosion resistance, durability, and low maintenance. These ladders are widely used in marine and offshore applications, such as oil rigs, ships, and coastal facilities due to their excellent resistance to saltwater corrosion and harsh marine environments.</p> <p><b>End Users:</b> Chemical Industry, Cooling Tower Component, Electrical Substation Product, Hotel Application, Marinas &amp; Docs, Offshore Oil &amp; Gas, Construction and Warehouse.</p>	
12	<b>FRP/GRP Tanks</b>	<p>FRP/GRP (Fiber/Glass Reinforced Polymer) tanks are designed for durability and reliability. These are robust solutions for power industry. These are engineered to withstand extreme conditions, they provide superior resistance to corrosion, thermal stress, and impact, ensuring long-lasting performance and reduced maintenance. Ideal for handling chemicals, water, and other essential fluids in power applications. These tanks offer exceptional durability, corrosion resistance and lightweight design. They withstand harsh marine environments, reduce maintenance, and ensure safety with high chemical resistance. Their efficiency supports long-term storage and transport of fluids, optimising operational performance. These tanks offer enhanced corrosion resistance, longevity and reduced maintenance costs. They ensure safe storage of chemicals, minimise contamination risks and improve operational efficiency. Their lightweight yet durable construction facilitates easy installation, contributing to</p>	

		<p>overall cost savings and operational reliability.</p> <p><b>End Users:</b> Chemical Industry, Electrical Substation Product, Offshore Oil &amp; Gas and Pulp &amp; Paper Industry.</p>	
13	<b>FRP Battery Stand</b>	<p>FRP (Fiber Reinforced Polymer) Battery Stands enhance durability and resistance to harsh chemicals reducing maintenance and replacement costs. Their lightweight yet sturdy design improves operational efficiency and safety. These stands offer superior corrosion resistance, ensuring longevity and reliability in the demanding environments of pulp and paper mills. These are ideal for chemical industry applications due to their high corrosion resistance, electrical insulation, and robust mechanical strength. These stands ensure safety, durability, and reliability in harsh environments, supporting heavy battery systems while minimizing maintenance and extending service life.</p> <p><b>End Users:</b> Chemical Industry, Electrical Substation Product, Hotel Application, Marinas &amp; Docs, Offshore Oil &amp; Gas, Pulp &amp; Paper Industry, Warehouse.</p>	
14	<b>FRP/GRP Handrails</b>	<p>FRP/GRP (Fiber/Glass Reinforced Polymer) Handrails are suitable for chemical processing plants and facilities where exposure to corrosive chemicals is common. Their chemical resistance and non-reactive nature make them a preferred choice for ensuring safety and durability in these challenging environments.</p> <p><b>End Users:</b> Chemical Industry, Cooling Tower Component, Electrical Substation Product, Hotel Application, Marinas &amp; Docs, Offshore Oil &amp; Gas, Construction and National Warehouse.</p>	
15	<b>FRP Fencing</b>	<p>FRP (Fiber Reinforced Polymer) Fencing has lightweight and non-conductive properties ensure easy installation and maintenance, enhancing operational efficiency and safety in chemical plants. These fences withstand harsh environments, providing safety and longevity. These are durable and corrosion-resistant for chemical industry.</p> <p><b>End Users:</b> Chemical Industry, Coastal Area, Electrical Substation Product, Hotel Application, Marinas &amp; Docs, Offshore Oil &amp; Gas, Waterpark, Warehouse, National Park.</p>	

16	<b>GFRP Rockbolts</b>	<p>GFRP (Glass Fiber Reinforced Polymer) rebars are lightweight, high-strength alternatives to steel rebars used in concrete structures. GFRP Rebars are made from fibers like glass, carbon, or basalt embedded in a polymer resin, they are highly resistant to corrosion, making them ideal for marine, chemical, and infrastructure projects exposed to harsh environments. Their non-conductive and non-magnetic properties make them suitable for electrical and sensitive installations. With a high strength-to-weight ratio and exceptional durability, GFRP rebars offer a cost-effective, long-lasting solution for projects requiring reinforced concrete in challenging conditions. In addition, the use of GFRP rebars significantly reduces the occurrence of concrete cracking, enhancing the structural integrity and lifespan of concrete constructions. Their non-magnetic properties also make them an excellent choice for applications where electromagnetic neutrality is essential, such as in medical facilities and sensitive equipment zones.</p> <p>End User: Metal &amp; Mining Industry</p>	
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**OUR MANUFACTURING FACILITY**

**MANUFACTURING FACILITY**



GPS Map Camera

Ramdebpur, West Bengal, India  
C68g+g3w, Jhikurbere, Ramdebpur, Raypur, West Bengal  
743384, India  
Lat 22.416109° Long 88.225042°  
09/01/25 11:16 AM GMT +05:30

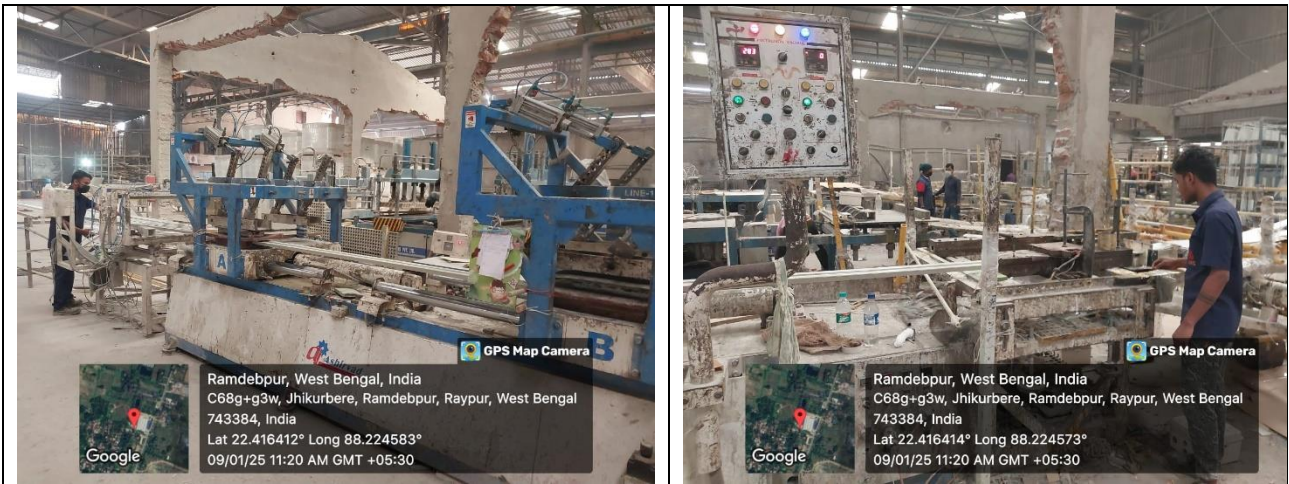
Google



GPS Map Camera

Ramdebpur, West Bengal, India  
C68g+g3w, Jhikurbere, Ramdebpur, Raypur, West Bengal  
743384, India  
Lat 22.416413° Long 88.224583°  
09/01/25 11:20 AM GMT +05:30

Google



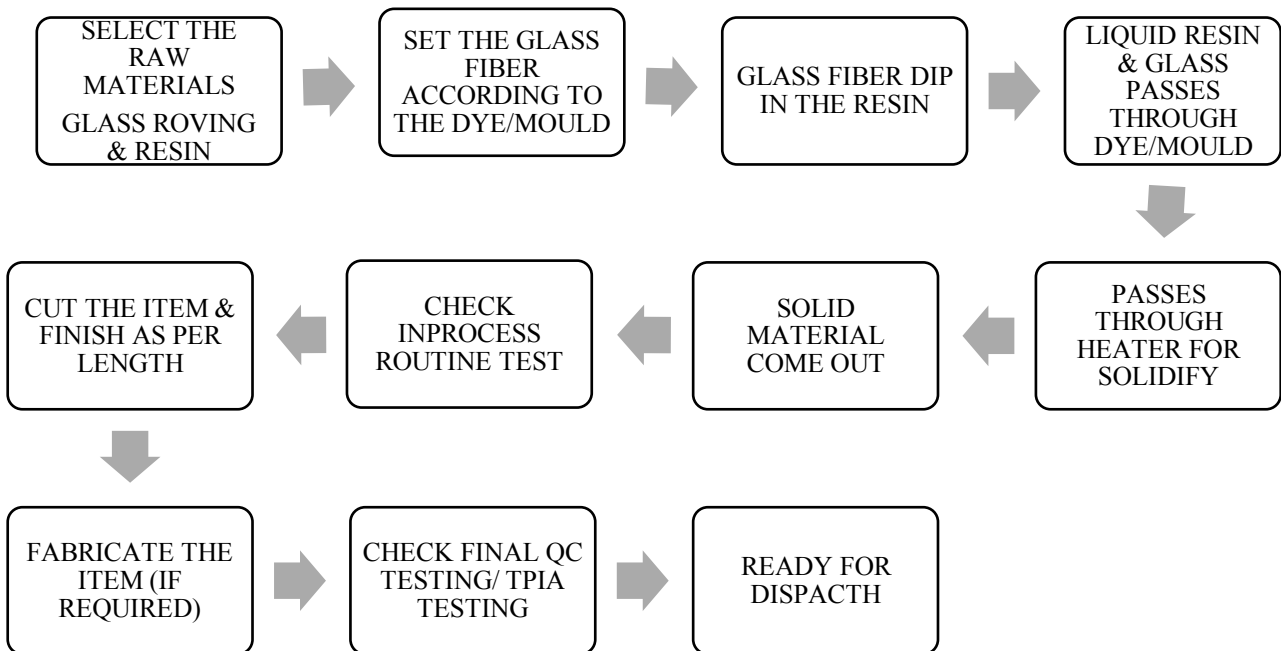
## OUR MANUFACTURING PROCESS

### Manufacturing Process for FRP/GFRP Pultruded Products

Pultrusion is a manufacturing process used to create continuous lengths of Fiber-Reinforced Polymer (FRP) profiles with constant cross-sections. In this process, fiber reinforcements, such as glass or carbon fibers, are pulled through a resin bath to ensure thorough impregnation with liquid resin. The saturated fibers are then guided through a shaping die, where they are formed into the desired profile shape. Subsequently, the profile passes through a heated die, where the resin is cured (polymerized), resulting in a solid composite material that offers exceptional strength-to-weight ratio and resistance to corrosion.

Process for FRP/GRP Pultruded Products is as follows:

The manufacturing operations described through above flow chat is explained as follows:



#### Step 1: Selection of Raw Materials:

At first we have to choose the A class raw materials for manufacturing the product i.e. Glass Roving & Resin. Resin type is selected based on client specification.

**Step 2: Set up the Mould & Glass Rovings:**

Then set up the profile mould based on client specification & set up the glass roving based on mould. Also need to cut surface fabric glass mat according to the mould size.

**Step 3: Glass Fiber Dipping in the Resin:**

Now, glass fiber rovings & surface fabric mat is submerged in a resin mixture that includes pigments for colour. This process ensures that the mat is thoroughly saturated with the resin, which provides structural integrity and durability.

**Step 4: Liquid Resin & Glass Passes through Dye/Mould:**

The material is passed through a die that shapes it into the required profile, such as an angle, channel, or hollow pipe. The die is custom-made to match the desired dimensions and shapes.

**Step 5: Passes through Heater for Solidification:**

The material passes through the heater, which helps cure the resin.

**Step 6: Solid Material Comes Out:**

Curing solidifies the material into its final shape, giving it the required strength and rigidity.

**Step 7: In-process Routine Test.**

Check the inline quality such as straightness, thickness, size, surface finish, strength etc.

**Step 8: Cut the Solidified Material:**

Once cured, the profiles are cut to the specified lengths. This ensures that the finished product meets the dimensional requirements of the customer or application.

**Step 9: Fabricate the Item (if Required).**

Once materials is tested, if required need to be fabricated as per customer specification.

**Step 10: Final Inspection.**

Check the final quality such as mechanical strength, chemical properties, visual etc.

**Step 11: Ready for Dispatch**

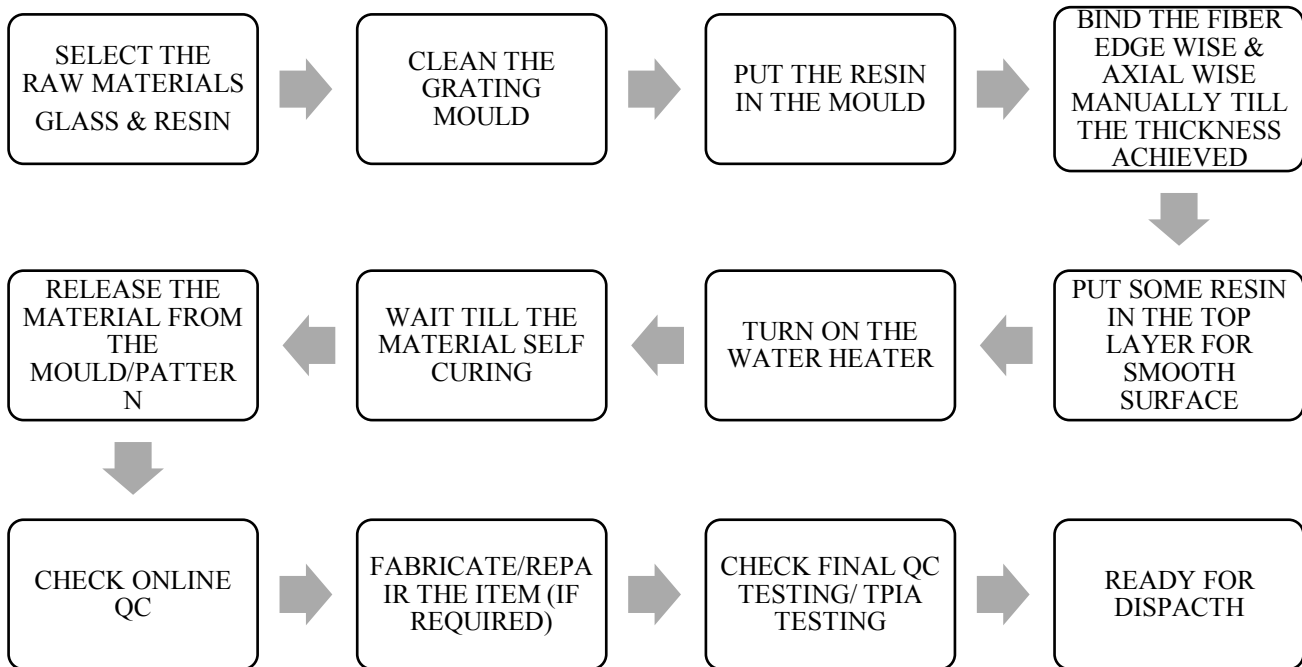
After fabrication, the finished profiles are bundled and packed for shipping.

**Manufacturing Process for GFRP/ FRP Moulded Gratings:**

Molded gratings are made through a process involving the combination of continuous glass fibers and resin in an open mould. Typically, this process starts with the placement of continuous glass fibers (usually in the form of roving) into a mould. The fibers are then impregnated with a liquid resin, often polyester or vinyl ester, using either a vacuum infusion or hand lay-up method. Once the mould is filled, the resin is cured through heat and/or chemical catalysts to solidify the composite material. After curing, the moulded gratings are demoulded/ejected and trimmed to the desired dimensions.



## FLOW CHART



### Step 1: Selection of Raw Materials:

Firstly, we choose the raw materials for manufacturing the product i.e. Glass roving & Resin. Resin type is selected based on client specification.

### Step 2: Set Up the Grating Mould

And then at this stage Grating mould is cleaned before manufacturing.

### Step 3: Set Up the Glass Rovings:

The glass fiber rovings are set based on the grating mould & size.

### Step 4: Glass Fiber Dipping & Binding in The Mould

Now, glass fiber rovings are submerged in the resin mixture that includes pigments for colour. The glass fiber now binds axially & circumferentially in the dye. The resin acts as a binder, holding the fibers together and providing structural integrity.

### Step 5: Surface Finish

Now, glass fiber rovings are submerged in the resin mixture that includes pigments for colour. The glass fiber now binds axially & circumferentially in the dye. The resin acts as a binder, holding the fibers together and providing structural integrity.

### Step 6: Turn on the Heater

Now, we have to check the proper connection of the water heater, and if it's okay, then turn on the heater for curing the resin.

### Step 7: Curing

After binding, the material is left to cure. During curing, the resin hardens, bonding the fibers together and solidifying the gratings.

### Step 8: Grating Release

Once cured, the material is released by a hydraulic pin ejector system.

### Step 9: In process Routine Test

Check the inline quality such as thickness, surface finish, etc.

### Step 10: Fabricate/Repair the Item (If Required)

Once materials are tested, the grating is cut into the required size, Grind for smooth surface finish as per specifications.

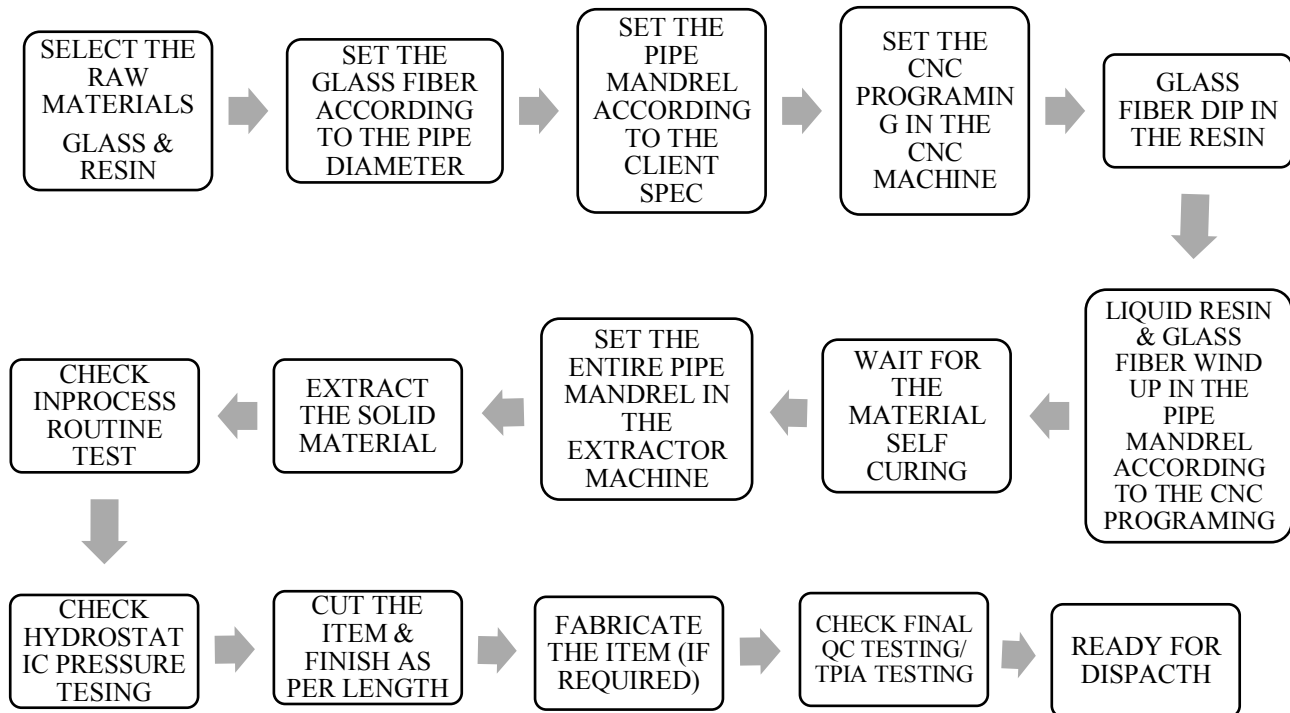
**Step 11: Final Inspection.**

Check the final quality such as mechanical strength, chemical properties, visual etc.

**Step 12: Ready for Dispatch**

After fabrication & finishing, the materials are ready for shipment to the end client.

**Manufacturing Process for FRP/GRP PIPE**



The manufacturing operations described through above diagram is explain as follows:

**Step 1: Raw Material Selection:**

We choose the raw materials for manufacturing the product i.e. Glass Roving & Resin. Resin type is selected based on client specification.

**Step 2: Set up the Glass Rovings:**

In this step, we set up the set up the glass roving based on pipe diameter.

**Step 3: Set up the Pipe Mandrel:**

In this step, we set up the pipe mandrel based on pipe diameter. The mandrel acts as a mold that shapes the material into a cylindrical form, ensuring the pipe has the required diameter.

**Step 4: Set up the CNC Machine**

Now, we have to set the CNC Automatic Programming to run the CNC Machine for manufacturing the pipe according to the diameter.

**Step 5: Glass Fiber Dipping in the Resin**

Now, glass fiber rovings are submerged in a resin mixture that includes pigments for colour. The resin acts as a binder, holding the fibers together and providing structural integrity, while the pigments give the pipe its final colour.

**Step 6: Filament Winding**

Filament winding is a precision process that ensures even distribution of the fibers and resin around the mandrel.

**Step 7: Curing**

After winding, the pipe is left to cure. During curing, the resin hardens, bonding the fibers together and solidifying the pipe's structure.

**Step 8: Set up the Extractor Machine**

Now, we have to set the hydraulic based pipe extractor machine for extracting the curing pipe.

**Step 9: Pipe Extraction**

After machine set up, by the help of hydraulic pressure the pipe is extracted from the mandrel/mould.

**Step 10: In-process Routine Test**

Check the inline quality such as thickness, diameter, surface finish, strength, hydro Pressure etc.

**Step 11: Check Hydrostatic Test/Pipe Leakage Test**

Check for pipe leakage by applying hydrostatic pressure in the pipe according to the client's specified design pressure.

**Step 12: Cutting & Finishing:**

After the hydro test, the pipes are cut to the specified lengths. This ensures that the finished product meets the dimensional requirements of the customer or application.

**Step 13: Fabricate the Item (if Required)**

Once materials are tested, the pipe is cut into the required lengths using specialized cutting tools as per specifications.

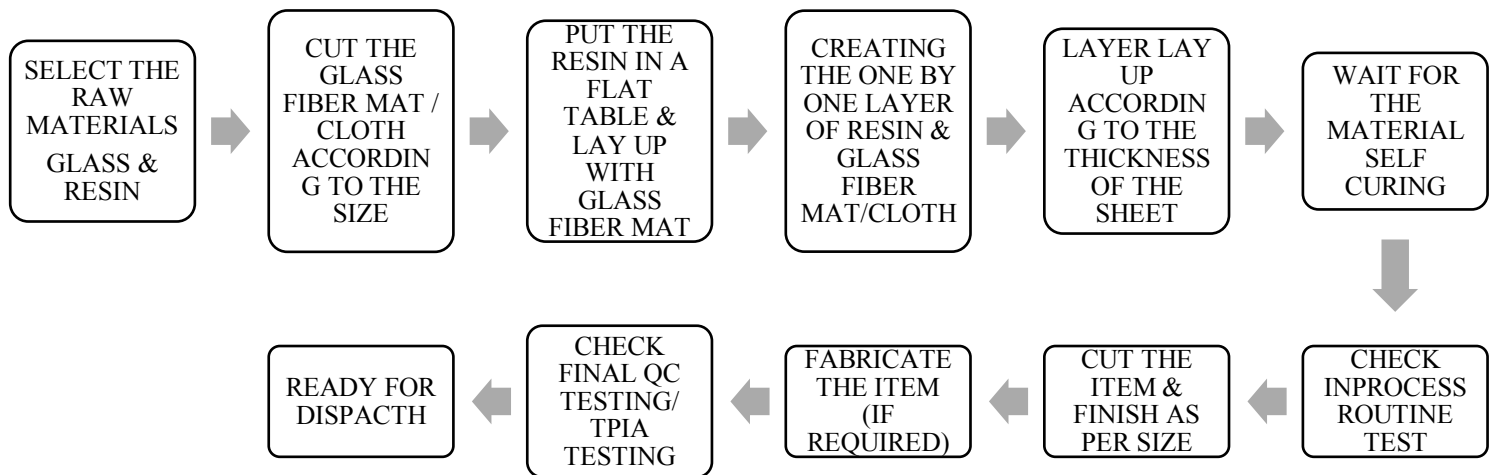
**Step 14: Final Inspection.**

Check the final quality such as mechanical strength, chemical properties, visual etc.

**Step 15: Ready for Dispatch**

Finally, after passing the final QC testing, the product is packaged and prepared for shipment. Products are wrapped or bundled to protect them from damage during transport.

**Manufacturing Process for FRP/GFRP SHEET**



The manufacturing process for FRP (Fiber Reinforced Polymer) sheets involves creating composite materials by combining glass fiber (for reinforcement) with a resin matrix (for binding). This process is typically referred to as hand lay-up or manual lay-up, and it involves several steps to ensure the creation of strong, durable, and lightweight FRP sheets. Below is a step-by-step explanation of the process you've outlined:

**Step 1: Select the Raw Materials: Glass & Resin**

The process begins with selecting raw materials, including fiberglass strands and resin. For procurement of raw materials, the company requests for price quotations from its various suppliers (imported or domestic) through mail, calls and WhatsApp. After receiving the price quotations, company compares the rates received from such suppliers and accordingly issues Purchase Order to the suppliers.

**Step 2: Cut the Glass Fiber Mat/Cloth According to the Size**

The glass fiber mat or cloth is cut into pieces of specific sizes and shapes based on the dimensions of the final FRP sheet to be produced. The cutting ensures the correct amount of material is available to form the layers that will constitute the final sheet. The size and number of pieces depend on the thickness of the final sheet and the layout of the glass fibers.

### **Step 3: Put the Resin on a Flat Table & Lay Up with Glass Fiber Mat**

A flat lay-up table is prepared for the hand-lay-up process. Resin is first applied to the table surface, ensuring a uniform layer of resin is spread out. The resin is typically applied in a liquid form and is mixed with a hardener (for thermosetting resins like polyester or epoxy) to begin the curing process once it is exposed to heat or air. Then the resin is carefully spread over the glass fibers to make sure that every fiber is completely impregnated, which is essential for achieving strong bonding.

### **Step 4: Creating One by One Layer of Resin & Glass Fiber Mat/Cloth**

Layer-by-layer application: The lay-up process involves placing one layer of resin and glass fiber mat at a time. Each layer is carefully placed to ensure even resin impregnation and proper adhesion between layers. This step ensures that the fibers are properly oriented and that the resin is distributed evenly throughout the glass fiber mat/cloth. The number of layers depends on the thickness of the desired FRP sheet. A thicker sheet will require more layers to be applied.

### **Step 5: Layer Lay-Up According to the Thickness of the Sheet**

The thickness of the FRP sheet is determined by the number of layers of glass fiber mat/cloth applied. If a thicker sheet is needed, more layers of glass fiber and resin are applied. This process continues until the required thickness is achieved. The layering process also allows for customization of the sheet's mechanical properties. For example, adding more layers can increase the strength or stiffness of the sheet.

### **Step 6: Wait for the Material to Self-Cure**

Self-Curing: After the layers of resin and glass fiber have been applied, the material is left to cure. Depending on the type of resin used, this curing can either take place at room temperature (for slower-curing resins) or with the help of heat (if a faster cure is needed).

### **Step 7: Check In-Process Routine Tests**

In-Process Quality Control: Throughout the manufacturing process, quality checks are performed to ensure that the material is being produced correctly.

### **Step 8: Cut the Item & Finish as Per Size**

Cutting: Once the material has fully cured and solidified, it is cut to the desired size. The cutting is typically done using a saw or laser cutter to ensure precise dimensions. The sheets may also be trimmed at the edges to remove any excess or rough spots left over from the lay-up process.

Finishing: After cutting, the sheets may need some additional finishing processes, such as sanding or polishing, to improve the surface finish and remove any imperfections.

### **Step 9: Fabricate the Item (If Required)**

If the FRP sheet needs to be shaped or formed into specific items, additional fabrication steps are performed i.e. Molding or pressing the sheet into the required form, bending, curving, or cutting the sheet to create parts that are used in specific applications (e.g., roof panels, wall panels, containers).

Additional reinforcements or layering may be applied to certain areas to meet structural or design requirements.

### **Step 10: Check Final QC Testing/TPIA Testing**

Final Quality Control (QC): Once the FRP sheet is finished, final testing is conducted to ensure it meets the required standards.

Mechanical Testing: Tests for tensile strength, impact resistance, flexural strength, and other mechanical properties to verify the sheet's performance.

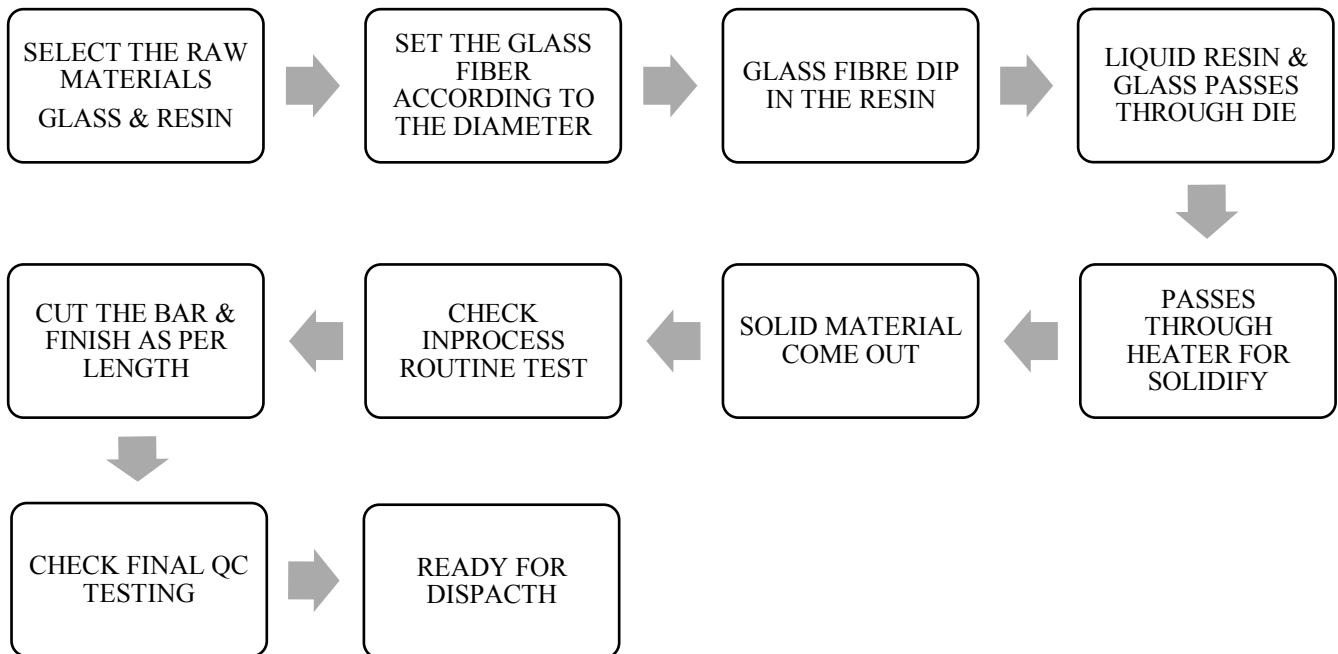
Dimensional Verification: Ensuring that the final product meets the specified dimensions and tolerances.

Visual Inspection: Ensuring that there are no visible defects, such as cracks or delaminations.

### **Step 11: Ready for Dispatch**

Once the FRP sheets pass final QC testing and any additional fabrication steps, the product is packaged and prepared for shipment.

## Manufacturing Process for GFRP BAR



### Step 1: Selection of Raw Materials:

At first we have to choose the A class raw materials for manufacturing the product i.e. Glass Roving & Resin. Resin type is selected based on client specification.

### Step 2: Set Up the Mould & Glass Rovings

The dye is set up based on the client specifications.

### Step 3: Glass Fiber Dipping in The Resin

Now, glass fiber rovings are dipped into a bath that contains the resin mixture. This ensures that the fibers are fully saturated with resin, providing the strength needed for the final product.

### Step 4: Liquid Resin & Glass Passes Through Dye

After soaking in the resin mixture, the rovings are passed through die, which gives it the required shape. The die gives the rod its uniform diameter and ensures consistency in the finished product.

### Step 5: Passes Through Heater for Solidification

The die is connected to a heating system that cures the resin as the rod passes through. This process hardens the resin, bonding the fibers together and giving the rod its strength and rigidity.

### Step 6: Solid Material Comes Out

Once the rod is cured, it is cut into specific lengths according to customer requirements or industry standards. This ensures that the rods are ready for use in various structural or industrial applications.

### Step 7: In process Routine Test

At this stage we take the routine test to inline the quality of the product such as straightness, diameter, strength etc.

### Step 8: Cut the Solidified Material:

Once cured, the bars are cut to the specified lengths. This ensures that the finished product meets the dimensional requirements of the customer or application.

### Step 9: Final Inspection.

Check the final quality such as mechanical strength, chemical properties, visual etc.

### **Step 10: Ready for Dispatch**

After testing, the rods are bundled together and packed for distribution. GFRP Rebar are known for their high strength, lightweight properties, and corrosion resistance, making them ideal for use in construction and infrastructure projects.

## **OUR COMPETITIVE STRENGTHS**

- ***Diverse Product Range:***

Our Company offers a broad selection of GFRP products, including GFRP Rebars, GFRP grating walkway, GFRP Tubes, GFRP Fencing for Transformer, GFRP Cable Trays, Fiberglass pipe for flue gas, Fiberglass Spray Pipe, Fiberglass Trench Cover catering to various industries such as chemicals, Infrastructures, Power, marines, mining, and other industrial sectors. Additionally, the Company provides customized solutions producing products in different sizes, shapes and profiles based on customer-specific requirements.

- ***Customer Diversification***

We market and sell our products both domestically and internationally. Within the domestic market, our products are distributed directly to end customers as well as through traders and stockists. Since commencing our export operations in 2010, we have successfully reached 11 countries.

- ***Superior Material Quality:***

High-grade materials, including woven roving, glass fiber cloth, and Milo film, ensure that the company's GFRP/FRP products are durable and highly resistant to corrosion. This material quality is essential for applications in challenging environments, such as chemical, marine, and industrial sectors, where product longevity and strength are critical.

- ***Consistently meeting quality standards***

Fine-grade materials, including woven roving, glass fiber cloth, and milo film, ensure that the company's GFRP products are durable and resistant to corrosion. This material quality is essential for applications in challenging environments such as chemical, marine and industrial sectors where product longevity and strength are critical.

- ***Advanced Manufacturing Technology***

The Company employs technologies like filament winding, precision curing and automated cutting, ensuring consistency in product quality and uniformity. These processes also help reduce material waste, which contributes to overall cost efficiency and shorter production cycles, enabling faster delivery without compromising on quality.

- ***Customization and Flexibility***

With the ability to design and manufacture GFRP/FRP products in various sizes, profiles, and shapes, the Company can meet the specific needs of its customers. This flexibility allows it to cater to a wider range of applications, giving it an advantage over competitors who may offer more limited customization options.

- ***Enhanced Durability and Corrosion Resistance***

The Company's FRP products are known for their exceptional corrosion resistance, making them ideal for use in demanding environments. This durability not only extends the product lifespan but also reduces maintenance needs, which offers customers long-term cost savings when compared to traditional materials like steel or wood.

- ***Cost Competitiveness:***

The company's streamlined production methods, such as minimizing material waste and optimizing resource usage, allow it to offer competitive pricing. Despite lower costs, the company maintains high product quality, making its GFRP/FRP products an attractive option for cost-conscious customers.

- ***Lightweight with High Strength***

FRP products produced by the Company have good strength-to-weight ratio, making them strong yet lightweight. This combination makes handling, transportation, and installation easier and more cost-effective for customers, especially in industries where reducing weight is crucial.

- ***Sustainability and Eco-Friendly Initiatives***

GFRP/FRP is a composite material that combines the benefits of glass polymer and resins. Insulation is often integrated into GFRP structures to enhance their thermal performance. Thermal Insulation reduces heat transfer between GFRP/FRP structures and surrounding environment, reducing energy losses and maintain a consistent temperature. This energy savings makes the products more sustainable and environment friendly. GFRP/FRP products has increased durability, non-conductive, non-magnetic, environment friendly, less carbon emission, reduced noise transmission and cost and energy saving. GFRP/FRP products' manufacturing process do not involve boiler or furnace beside it uses thermal and insulation processes that as an automatic consequence reduces carbon emission and saves energy.

## **OUR BUSINESS STRATEGY**

### ***Setup of new integrated manufacturing unit***

We are currently in the process of setting up a new manufacturing unit at District: Paschim Midnapore, Thana: Kharagpur, Gram Panchayat: Sankoa, Mouza: Sanmaninathpur, JL No: 350, Pin- 721301, West Bengal measuring land area of about 163 decimal (71000 sq. ft approx.), to expand our manufacturing capabilities, for which our Company has entered into the agreement of sale with the owner of the land i.e. Shraddha Overseas Private Limited dated December 04, 2024. Hence for the same the company has to pay a sum of ₹ 4,03,00,000/- (Rupees Four Crores Three Lakhs Only) to Shraddha Overseas Private Limited, who's the owner of the said land for its purchase. Further the company will incur Land registration cost and Stamp duty approximately ₹. 4.03 lakhs and ₹ 24.18 lakhs respectively. The company has already paid an advance amount of ₹ 5.00 Lakhs at the time of agreement and the company is proposed to pay the balance amount including Land registration cost and Stamp duty of ₹ 426.21 Lakhs through its **internal accrual**. Our Company intends to make capital expenditure towards construction and civil work and setting up additional manufacturing unit on the aforementioned land and accordingly proposed to construct a factory shed having approximately 50000 sq. ft. buildup area. We have prepared a cost estimate for executing, designing, supervision and procuring all relevant construction and installation. The total estimated cost for setting up the factory is around ₹ 357.38 lakhs, out of which the entire amount is intended to be funded from the Net Proceeds. This has been estimated by our management based on quotations received from third party suppliers/ service providers. Additionally, new manufacturing unit for which requisite machineries like AGP- line- 2.01 (Production of bent elements from 4 to 16 mm diameter, the production on rate is 4960 items with a length of 1.7 meters), AGP- line- 2.01 (Production of composite mesh with a width of 2 meters, cells 50\*50 to 200\*200 mm. Diameter from 2 to 8 mm) etc. will be purchased and installed. Such purchase and installation of machines along with required civil construction and installation of solar power plant is to be funded from Net Offer proceeds of ₹ 377.22 Lakhs. We believe that this investment will enhance operational efficiency and cost-effectiveness in our manufacturing process. For further details, please refer to chapter titled "***Objects of the Issue***" beginning on page 93 of this Prospectus. The plant & machinery at the unit under expansion is targeted to be more automated to reduce human intervention and thus decreasing the scope of human error. We believe that the entire activity will lead to higher efficiency and production output.

### ***Diversification of Product Portfolio***

The company is continue to strengthen our existing diversified product portfolio and amplify new product lines : Our product portfolio consists of various GFRP/FRP products like GFRP Rebars, GFRP Pultruded Structural Profiles, GFRP Handrails, GFRP Cable trays, GFRP Fencing, GFRP Pipes, GFRP Rods, GFRP Gratings and Walkways, etc. for various industrial uses. Offering customization services for specific industries can attract niche markets by providing tailored solutions. We further seek to offer new products to cater to the evolving requirements of a large customer base and cover newer customer segments across various countries. Additionally, in-house research and development (R&D) process to innovate new resin formulations or composite materials, such as fire-resistant or biodegradable resins, will enhance the company's offerings and position it as a leader in sustainable product development.

### ***Expand Market Reach***

Currently, we market our products to various countries and gradually we intend to expand our business operations to other countries across the world. We plan to continue our strategy of diversifying and expanding our presence in other countries as well as other untouched regions within the country for the growth of our business. We are selective in expanding to new locations and look at new geographies where we can deliver our products without experiencing significant delays and interruptions. Through further diversification of our operations geographically, we hope to hedge against risks of operations in only specific areas and protection from fluctuations resulting from business concentration in limited geographical areas. We intend to cater to the increasing demand of our existing customers and also to increase our existing customer base by enhancing the reach of our products in different parts of the country and world. We aim to achieve this by adding value to our customers through quality assurance, timely delivery and reliability.

### Competitive Pricing and Cost Management

To remain competitive in a price-sensitive market, the company intend to focus on reducing production costs by optimizing raw material usage, increasing operational efficiency, and leveraging economies of scale. Developing flexible pricing models, such as tiered pricing based on order size or long-term contracts, will attract larger clients and help increase market share. By managing costs effectively, the company can maintain profitability while offering competitive prices to its customers.

#### SWOT ANALYSIS OF OUR COMPANY

STRENGTH	WEAKNESS
<ul style="list-style-type: none"> <li><i>Product Quality</i> Good quality, durable, and advanced insulation materials with thermal and better performance keeping in mind the compliance with international quality standards (e.g., ISO).</li> </ul>	<ul style="list-style-type: none"> <li><i>Limited Global Reach</i> Less penetration in international markets compared to domestic presence.</li> </ul>
<ul style="list-style-type: none"> <li><i>Cost Advantages</i> Lower labour and production costs compared to global competitor. We achieve economies of scale through large-scale production.</li> </ul>	<ul style="list-style-type: none"> <li><i>Operational Challenges</i> Possible inefficiencies in supply chain management or production processes and Dependence on third-party suppliers for critical materials.</li> </ul>
<ul style="list-style-type: none"> <li><i>Market Presence</i> Established presence in the domestic and international market with a distribution network.</li> </ul>	<ul style="list-style-type: none"> <li><i>Regulatory Compliance</i> Navigating complex regulatory requirements and compliance issues and Costs associated with meeting international standards and certifications.</li> </ul>
OPPORTUNITY	THREAT
<ul style="list-style-type: none"> <li><i>Market Growth</i> Increasing demand energy-efficient and sustainable building solutions.</li> </ul>	<ul style="list-style-type: none"> <li><i>Intense Competition</i> Fierce competition from domestic and international manufacturer and Pressure to differentiate products and maintain competitive pricing.</li> </ul>
<ul style="list-style-type: none"> <li><i>Export Potential</i> Expanding into emerging markets or new geographic regions and government incentives to boost exports.</li> </ul>	<ul style="list-style-type: none"> <li><i>Economic Fluctuations:</i> Vulnerability to economic downturns or fluctuations in construction and manufacturing sectors and impact on project budgets and investment in insulation solutions.</li> </ul>
<ul style="list-style-type: none"> <li><i>Technological Advancements</i> Adoption of advanced manufacturing technologies (e.g., automation, IoT) and Enhancing production efficiency and reducing costs through technology.</li> </ul>	<ul style="list-style-type: none"> <li><i>Regulatory and Trade Barriers:</i> Changes in trade policies, tariffs, and regulatory requirements and non-tariff barriers affecting international market access.</li> <li><i>Environmental Regulations:</i> Stricter environmental regulations increasing compliance costs and Pressure to adopt sustainable practices and reduce environmental impact.</li> <li><i>Technological Disruption:</i> Rapid technological changes requiring continuous investment in upgrades and risk of obsolescence if unable to keep pace with technological advancements.</li> </ul>

#### SAFETY, QUALITY CONTROL AND CERTIFICATIONS

Our business is focused on emphasizing on quality, environment, health and safety. We believe that maintaining standard quality for our products is critical to our continued growth.

We have applied for fire safety certificates granted by Government of West Bengal for our manufacturing facilities situated at Village – Ramdevpur, PO- Bawali, Bishnupur, Parganas South - 743384, West Bengal, India.

#### Treatment of Pollution

The Company holds consent for their unit at Sanjua Maheshtala Main Road, Vill:Ramdebpur, P.O.:Bawali, P.S-Bishnupur, Dist.:24 Parganas (South), PIN:-743304 under Section 25 & 26 of the Water (Prevention and Control of Pollution) Act, 1974, and Section 21 of the Air (Prevention and Control of Pollution) Act, 1981.



### **Information Technology**

Our factory is connected to our central IT network that facilitates monitoring of our operations and management of supply chain. Our IT infrastructure enables us to track procurement of raw materials, sale of finished goods, payments to vendors and receivables from customers. We are using Tally Accounting & Billing Software for our accounting solutions, e-invoicing and e-way bill.

### **Quality Certifications**

Our products are manufactured under controlled conditions & suitable working environment is provided. We have follow standard operating procedures to ensure product quality and customer satisfaction which are focused on providing products conforming to applicable standards, meeting customer requirements, and improving performance and effectiveness of our quality management system. We have quality testing laboratories at our manufacturing unit that are equipped to perform incoming material inspection, in-process inspection and final inspection. As on October 31, 2024 we have 8 employees under Quality & maintenance, who are taking care of Quality management.

<b>Sr. No.</b>	<b>Particulars / Description</b>	<b>Certificate / Registration Number</b>	<b>Date of Registration</b>	<b>Validity / Status</b>
1.	ISO 9001:2015	UCSPL8024I02721	August 11, 2024	November 07, 2027

### **MARKETING STRATEGY**

We leverage a multifaceted marketing strategy to effectively promote our GFRP/FRP products by focusing on the unique needs of key industries such as Chemicals, Power & Fuel, Marines, Railway Infra and other industrial sectors. Our strategy highlights quality, innovative features, and performance benefits of our GFRP products, including enhanced strength-to-weight ratios and eco-friendly materials. We aim to stand out from competitors through competitive pricing and a compelling value proposition. We have strategized to diversify our export markets by actively seeking new markets, countries to reduce our dependence on existing export markets and customers. Further, we are ensuring to remain competitive and aligned with evolving international market demands for our products. We are additionally, enhancing our digital presence by investing in digital marketing initiatives and conducting exhibitions to increase our online visibility and attract new international customers.

As a part of our marketing and promotional activity, we employ marketing techniques such as participation in Exhibitions like The World of Concrete India (WOC) in October 2024, Assam Exhibition in August 2024 and Indian Road Congress (IRC) Exhibition in November 2024 for showcasing our products to a wide audience of buyers, both domestically and internationally. The exhibitions and advertisements give us a platform to exhibit our products.

### **INFRASTRUCTURE FACILITIES FOR UTILITIES LIKE ELECTRICITY WATER & POWER**

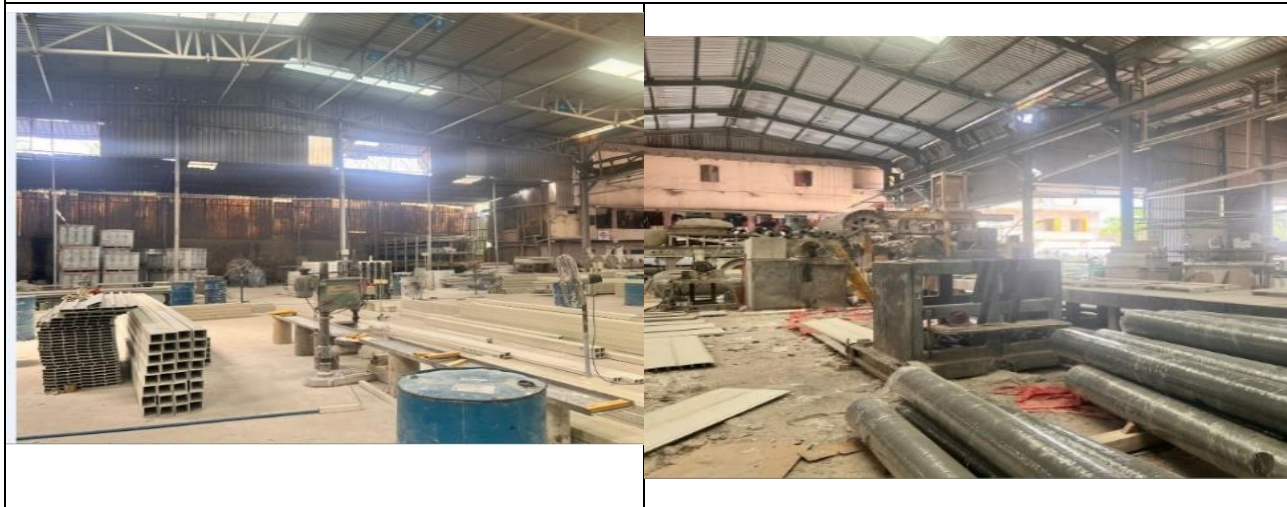
#### **Infrastructure Facilities**

Our registered office and factory (manufacturing facility) both are situated at Village – Ramdevpur, PO- Bawali, Bishnupur, Parganas South - 743384, West Bengal, India. They are well equipped with requisite utilities, infrastructure facilities, computer systems, internet connectivity, other communication equipment, security and other facilities which are required for our business operations to function smoothly.

<b>OUR REGISTERED OFFICE</b>
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**OUR FACTORY**



**Electricity**

Our Company’s registered office and factory fulfil their power requirements by purchasing electricity from the state electricity board - West Bengal State Electricity Distribution Company Limited and have invested in backup generators to mitigate any potential power outages, thereby safeguarding operational continuity. Backup generators or uninterruptible power supplies (UPS) are important to prevent production downtime in case of power outages.

**Water**

Water is a key and indispensable resource requirement in our production process. Water is often used in cooling systems for curing processes and to maintain optimal temperatures for machinery and moulds. Our Company has made adequate arrangements to meet its water requirements.

**PLANT & MACHINERY**

The major plant & machinery installed in our Factory as on October 31, 2024 includes:

Sr. No.	Name of Plant & Machineries	No. of Machinery Installed	Owned/rented
1	Universal Testing machine Digital-cum-computerised type 120/1200 KN Capacity	1	Owned
2	Electronic Extensometer strain gauge type for measuring	1	Owned

	elongation as per IS: 1786 (revised) 10mm stroke, 40mm gripping diameter and ladder		
3	FRP Rock Bolt Making Machine	1	Owned
4	Spare Parts (Details of spare parts pu pads 300pcs, Heaters 40pcs, Mat 100pcs)	444	Owned
5	APC-2.01	2	Owned
6	500kva Dissel Generating Set Complete	1	Owned
7	Aluminium Casting Heater 550mm*160mm*40mm*80mm*40mm*25mm*thickness with 8mm* centre Hole*275mm centre Hole*1100w*220v	28	Owned
8	Aluminium Casting Heater 150mm*250mm*230v700w	4	Owned
9	Aluminium Casting Heater	3	Owned
10	4-2 Boring Deptyhal	1	Owned
11	APC Line-2.01 (Equipment for Production of finished products the composite reinforcement viz GFRP items)	6	Owned

## CAPACITY AND CAPACITY UTILIZATION

The following table sets forth annual installed production capacity and annual utilized capacity in respect of different products is tabulated as below:

Product Name <sup>^</sup>	Installed Capacity (In Tons)	Installed Actual Capacity ( In Tons) Utilization Year wise							
		March 25 (Annualised)	Utilised %	March 24	Utilised %	March 23	Utilised %	March 22	Utilised %
FRP Rebars	1320	1029.6	78%	844.8	64%	752.4	57%	369.6	28%
FRP Grating	57.93	48.00	80%	40.55	70%	34.76	60%	24.33	42%
FRP Pultrusion	507.23	515.32	86%	390.56	77%	355.06	70%	228.25	45%
FRP Pipe	93.29	69.75	75%	66.96	72%	74.63	80%	49.44	53%

\*Chartered Mechanical Engineer capacity utilization certificate dated January 06, 2025.

<sup>^</sup>All FRP Products mentioned in table above includes GFRP Products also.

## MATERIAL CONTRACTS

There are no material contracts as on date of filing this Draft Red Herring Prospectus.

## HUMAN RESOURCE

We believe that our employees are key contributors to the success of our business. We focus on attracting and retaining the best possible talent. Our company looks for skills, interests and background that would be an asset for our business.

We have not experienced any material strikes, work stoppages, labour disputes or actions by or with our employees and we consider our relationship with our employees to be good. All the employees who are employed in their respective departments work with integrity to make sure the operation the company has fulfilled and the targets the company has set are achieved.

The attrition rate of Employees as on October 31, 2024 is 27.91%.

As of the date of October 31, 2024, there are total of 56 employees.

The detailed break-up of our employees is as under:

Functions/ Department	Number of Employees
Top Level Management	2
Accounts & Finance	2
Compliance	1
Maintenance	3
Production & Operations	7
Quality	1
Labour engaged in principal business activities	40
<b>Total</b>	<b>56</b>

We have encountered no significant work disruptions to date, and we believe that we have maintained good relations with our employees.

Further, the details of employee and related costs along with % of revenue is as below:

(₹In Lakhs)

Particulars	For the seven months period ended		For the Financial Year ended					
	October 31, 2024	% of Revenue from operations	March 31, 2024	% of Revenue from operations	March 31, 2023	% of Revenue from operations	March 31, 2022	% of Revenue from operations
Salaries, Wages & Bonus	42.52	2.25%	39.38	1.38%	32.12	1.34%	19.19	1.66%
Director's Remuneration	35.00	1.85%	60.00	2.11%	60.00	2.50%	60.00	5.20%
Gratuity	0	0.00%	4.61	0.16%	3.93	0.16%	2.88	0.25%
Contribution to ESI & EPF	3.50	0.19%	3.88	0.14%	2.33	0.10%	1.95	0.17%
<b>Total</b>	<b>81.02</b>	<b>4.29%</b>	<b>107.87</b>	<b>3.79%</b>	<b>98.39</b>	<b>4.10%</b>	<b>84.02</b>	<b>7.28%</b>

## COMPETITION

We face competition from a diverse range of domestic and international players in the market. At the regional level, many of our competitors are part well-established companies with strong brand recognition, extensive distribution networks, and cost. These large players benefit from economies of scale and established market presence. Additionally, we compete with numerous smaller manufacturers who may offer lower prices, greater flexibility, and specialized GFRP/FRP products tailored to niche applications.

Innovation plays a crucial role in the GFRP/FRP market. Companies investing in research and development to create advanced features, such as improved thermal properties, increased strength-to-weight ratios, or eco-friendly composites, can differentiate themselves and attract customers seeking cutting-edge solutions. As one of the few companies in the organized sector manufacturing GFRP products, we are well-positioned to leverage our industry standing. The introduction of GST has accelerated the contraction of the unorganized market, creating opportunities for organized companies like ours to expand more rapidly.

We are not into online sales and digital marketing but growing importance of online sales channels means that competitors with a robust digital presence can reach a broader customer base. Efficient online marketing strategies and e-commerce capabilities can significantly impact market reach. Moreover, strong relationships with distributors and wholesalers are essential, as companies with well-established distribution networks can secure better market coverage and customer access.

## COLLABORATIONS/TIE-UP/JOINT VENTURE

There are no collaborations as on date of filing this Draft Red Herring Prospectus.

## IMPORTS-EXPORTS OBLIGATIONS

There are no Import- Export Obligation as on date of filing this Draft Red Herring Prospectus.

## OUR PROPERTIES

The detail of our properties owned or leased by our Company are as follows which are yet to be registered in the name of the Company:

1. Details of properties owned in the name of ARC Insulation & Insulators Private Limited:

Sr. No.	Date of Agreement	Name of the Owner	Area	License / Leased / Owned	Location of the Property	Purpose
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1.	June 24, 2009	ARC Insulation & Insulators Private Limited	15 Decimal	Owned	Village - Ramdevpur, PO - Bawali Parganas South, Bishnupur - 743384, West Bengal, India	Registered office & Factory
2.	August 14, 2018	ARC Insulation & Insulators Private Limited	3.3 Decimal	Owned	Plot No.- LR 721, 722, 723 Khatian No.- LR-69, District-Parganas South, P.S-Bishnupur Gram, Panchayat-Khagramuri, Mouza Ramdebpur-700140	Registered office & Factory
3.	March 26, 2019	ARC Insulation & Insulators Private Limited	8.35 Decimal	Owned	Plot No.- LR 721, 722, 723 Khatian No.- LR-49/1, L.R. 49/1, L.R. 49/1, District-Parganas South, P.S-Bishnupur Gram, Panchayat-Khagramuri, Mouza Ramdebpur-700140	Registered office & Factory
4.	March 28, 2019	ARC Insulation & Insulators Private Limited	3 Decimal	Owned	Plot No.- LR 721, 722, 723, Khatian No.- LR-761, District-Parganas South, P.S-Bishnupur Gram, Panchayat-Khagramuri, Mouza Ramdebpur-700140	Registered office & Factory
5.	April 01, 2019	ARC Insulation & Insulators Private Limited	8.352 Decimal	Owned	Plot No.- LR 721, 722, 723 Khatian No.- LR-49/1, L.R. 49/1, L.R. 49/1, District-Parganas South, P.S-Bishnupur Gram, Panchayat-Khagramuri, Mouza Ramdebpur-700140	Registered office & Factory
6.	January 29, 2021	ARC Insulation & Insulators Private Limited	8 Decimal	Owned	Plot No. L.R.-713, Khatian No. 788, District Parganas South, P.S. Bishnupur, Mouza, Ramdebpur-700140	Registered office & Factory
7.	January 29, 2021	ARC Insulation & Insulators Private Limited	8 Decimal	Owned	Plot No. L.R.-713, Khatian No. 788, District Parganas South, P.S. Bishnupur, Mouza, Ramdebpur-700140	Registered office & Factory
8.	September 26, 2022	ARC Insulation & Insulators Private Limited	2.10 Decimal	Owned	R.S & L.R Plot No-721, L.R Khatian No. 69 & 761, Mouza-Ramdebpur, P.S. Bishnupur, J.L No. 7, Touzi No. 63, Parganas South, West Bengal	Labour Quarter for Daily Wages
			2.10 Decimal		R.S & L.R Plot No -722, L.R Khatian No. 69 & 761, Mouza-Ramdebpur, P.S. Bishnupur, J.L No. 7, Touzi No. 63, Parganas South, West Bengal, India	
9.	September 26, 2022	ARC Insulation & Insulators Private Limited	2.10 Decimal	Owned	R.S & L.R Plot No-723, L.R Khatian No. 69 & 761, Mouza-Ramdebpur, P.S. Bishnupur, J.L No. 7, Touzi No. 63, Parganas South, West Bengal	Labour Quarter for Daily Wages
10.	March 27, 2023	ARC Insulation & Insulators Private Limited	6 Decimal	Owned	Mouza-Samali, R.S. Dag & L.R. Dag No. 96, R.S. Khatian No. 525, L.R. Khatian No. 3589, Bishnupur, J.L No. 23, R.S. No. 91, Tiuzi No. 14, Parganas South - 700104, West Bengal	Vacant Land
11.	March 27, 2023	ARC Insulation & Insulators Private Limited	6 Decimal	Owned	Mouza-Samali in R.S. Dag & L.R. Dag No. 96, R.S. Khatian No. 525, L.R. Khatian No. 3590, Bishnupur Magura District J.L No. 23, R.S. No. 91, Tiuzi No. 14, Parganas South, Alipore-700104	Vacant Land
12.	March 31, 2023	ARC Insulation & Insulators Private Limited	11 Decimal	Owned	Mouza-Samali, L.R. Dag No. 88, L.R. Khatian No. 2067, J.L. No. 23, Touzi No. 14, R.S. No. 91, Bishnupur, Parganas South - 700104, West Bengal	Vacant Land
13.	June 21, 2023	ARC Insulation & Insulators Private Limited	12 Decimal	Owned	Mouza-Samali, L.R. Dag No. 88, L.R. Khatian No. 2067, J.L. No. 23, Touzi No. 14, R.S. No. 91, Bishnupur, Parganas South - 700104, West Bengal	Vacant Land
14.	July 20, 2023	ARC Insulation & Insulators Private Limited	13 Decimal	Owned	Mouza-Samali, R.S. No. 156, Touzi No. 14, R.S. & L.R Dag No. 93, 95 R.S. Khatian No. 535, L.R. Khatian No. 702, 1712, 1401, 1437, 408, 1437, 1496, 691,	Vacant Land

					Pargana-Magura, Alipore, Parganas South -700104, West Bengal, India	
15.	August 07, 2023	ARC Insulation & Insulators Private Limited	6.83 Decimal	Owned	Mouza-Samali, J.L. No. 23, Touzi No. 1, R.S No. 91, Bishnupur, Parganas South - 700104, West Bengal	Vacant Land
16.	August 07, 2023	ARC Insulation & Insulators Private Limited	5.66 Decimal	Owned	Mouza-Samali, J.L. No. 23, Touzi No. 1, R.S No. 91, Bishnupur, Parganas South - 700104, West Bengal	Vacant Land
17.	September 24, 2024	ARC Insulation & Insulators Private Limited	17 Decimal	Owned	R.S. & L.R. Dag No. 88, L.R. Khaitan No. 372, 425, 2304, 2457, Mouza-Samali, J.L. No. 23, Touzi No. 14, Pargana – Magura, R.S No. 91, Bishnupur, Parganas South - 700104, West Bengal	Vacant Land
18.	September 24, 2024	ARC Insulation & Insulators Private Limited	14 Decimal	Owned	R.S. & L.R. Dag No. 95, L.R. Khaitan No. 1401, 2257, 2318, 2319, Mouza-Samali, J.L. No. 23, Touzi No. 14, Pargana – Magura, R.S No. 91, Bishnupur, Parganas South - 700104, West Bengal	Vacant Land
19.	September 24, 2024	ARC Insulation & Insulators Private Limited	32 Decimal	Owned	R.S. & L.R. Dag No. 97, L.R. Khaitan No. 372, 425, 477, 2117, 2653, Mouza-Samali, J.L. No. 23, Touzi No. 14, Pargana – Magura, R.S No. 91, Bishnupur, Parganas South - 700104, West Bengal	Vacant Land
20.	September 24, 2024	ARC Insulation & Insulators Private Limited	19 Decimal	Owned	R.S. & L.R. Dag No. 96, L.R. Khaitan No. 3588, 3589, 3675, 3676, Mouza-Samali, J.L. No. 23, Touzi No. 14, Pargana – Magura, R.S No. 91, Bishnupur, Parganas South - 700104, West Bengal	Vacant Land

2. Details of Properties owned in the name of Our Promoter Mr. Manish Bajoria which were transferred through a business Transfer agreement dated June 01, 2009 but are still process of name transfer:

Sr. No.	Date of Agreement	Name of the Owner	Area	License / Leased / Owned	Location of the Property	Purpose
1.	October 11, 2006	Mr. Manish Bajoria	12.4 Decimal	Owned	Pargana- Magura, Mouza- Samali, J.L No -23, R.S. Khatian No- 498, in R. S. Dag No. 87, Bishanpur West Bengal, India	Vacant Land
2.	October 11, 2006	Mr. Manish Bajoria	12.4 Decimal	Owned	Pargana- Magura, Mouza- Samali, J.L No -23, R.S. Khatian No- 498, in R. S. Dag No. 87, Bishanpur West Bengal, India	Vacant Land
3.	October 13, 2006	Mr. Manish Bajoria	24.8 Decimal	Owned	Pargana- Magura, Mouza- Samali, J.L No -23, R.S. Khatian No- 498, in R. S. Dag No. 87, Bishanpur West Bengal, India	Vacant Land
4.	July 15, 2008	Mr. Manish Bajoria	0.03 Decimal	Owned	Pargana- Magura, Mouza- Samali, J.L No -23, R.S No. 156, R.S. Khatian No- 465, in R. S. Dag No. 87, L.R. Khaitan No. 1730 Bishanpur West Bengal, India	Vacant Land
5.	July 15, 2008	Mr. Manish Bajoria	12.4 Decimal	Owned	Pargana- Magura, Mouza- Samali, J.L No -23, R.S. Khatian No- 498, in R. S. Dag No. 87, Bishanpur West Bengal, India	Vacant Land

## INSURANCE POLICIES


Our Company maintains insurance against various risks inherent in our business activities. While we believe that the insurance coverage which we maintain is in keeping with industry standards and would be reasonably adequate to cover the normal risks associated with the operation of our businesses, we cannot assure you that any claim under the insurance policies maintained by us will be honoured fully, in part or on time, or that we have taken out sufficient insurance to cover all our losses. The following are the details of the insurance policies obtained by our Company:



Sr. No	Name of the Insurance Policy Company	Type of Policy	Policy No.	Validity Period	Sum Insured (₹)	*Premium (₹)
1.	ICICI Lombard General Insurance Company Limited	Private Car Package Policy	3001/258092424/02/000	September 15, 2024 to September 14, 2025	34,46,100.00	25,784.00
2.	Reliance General Insurance Company Limited	Open Policy-Inland**	15012242421M003382	April 30, 2024 to April 29, 2025	7,00,00,000.00	10,326.00
3.	Reliance General Insurance Company Limited	Open Policy-Imp/Exp**	15012242422M000178	April 30, 2024 to April 29, 2025	3,00,00,000.00	5,311.00
4.	Zuno General Insurance Limited	Vehicle Insurance Policy**	900673301	June 04, 2024 to June 03, 2025	3,83,498.00	10,351.00
5.	ICICI Lombard General Insurance Company Limited	Stand-Alone Own Damage Private Car Insurance Policy**	3001/O/338158488/00/000	April 05, 2024 to April 04, 2025	8,00,000.00	17,465.00
6.	SBI General Insurance Company Limited	Burglary Insurance Policy**	0000000033030319-01	March 23, 2024 to March 22, 2025	9,24,00,000.00	5,276.00
7.	SBI General Insurance Company Limited	SBI General Bharat Laghu Udyam Suraksha**	0000000033030220-01	March 23, 2024 to March 22, 2025	12,70,00,000.00	1,86,824.00
8.	Tata AIG General Insurance Company Limited	Auto Secure - Private Car Package Policy**	6203424438 00 00	September 18, 2024 to September 17, 2025	9,63,868.00	15,106.00

\* Please note that the premium payable is inclusive of GST.


\*\* The insurance policy is in the name of private limited - ARC Insulation & Insulators Private Limited

#### INTELLECTUAL PROPERTY

Sr. No.	Word/ Label/ Mark/Design	Application/ Temporary Reference No.	Class & Details	Registration/ Application date	Status/ Validity
1.		6622120	<u>Class 17:</u> Unprocessed and semi-processed rubber, gutta-percha, gum, asbestos, mica and substitutes for all these materials; plastics and resins in extruded form for use in manufacture; packing, stopping and insulating materials;	September 13, 2024	Formalities Check Pass

Sr. No.	Word/ Label/ Mark/Design	Application/ Temporary Reference No.	Class & Details	Registration/ Application date	Status/ Validity
			flexible pipes, tubes and hoses, not of metal, blocks and rods, fiberglass fabrics for insulation / fiberglass fabrics for insulation, fiberglass for insulation / fiberglass for insulation / glass fibers for insulation / glass fibers for insulation, insulating fabrics		
2.		Class 17-11778856  Class 19-11778865  Class 35-11778866	<p><u>Class 17:</u> Unprocessed and semi-processed rubber, gutta-percha, gum, asbestos, mica and substitutes for all these materials; plastics and resins in extruded form for use in manufacture; packing, stopping and insulating materials; flexible pipes, tubes and hoses, not of metal, blocks and rods, fiberglass fabrics for insulation / fiberglass fabrics for insulation, fiberglass for insulation / fiberglass for insulation / glass fibers for insulation / glass fibers for insulation, insulating fabrics</p> <p><u>Class 19:</u> Branching pipes not of metal, drain pipes not of metal, penstock pipes not of metal, rigid pipes, not of metal, for building, sandstone pipes, water-pipes, not of metal</p> <p><u>Class 35:</u> Advertising</p>	January 13, 2025	Applied
3.		Class 17-11779874  Class 19-11779976  Class 35-11780038	<p><u>Class 17:</u> Unprocessed and semi-processed rubber, gutta-percha, gum, asbestos, mica and substitutes for all these materials; plastics and resins in extruded form for use in manufacture; packing, stopping and insulating materials; flexible pipes, tubes and hoses, not of metal, blocks and rods, fiberglass fabrics for insulation / fiberglass fabrics for insulation, fiberglass for insulation / fiberglass for insulation /</p>	January 13, 2025	Applied



Sr. No.	Word/ Label/ Mark/Design	Application/ Temporary Reference No.	Class & Details	Registration/ Application date	Status/ Validity
			fiberglass for insulation / glass fibers for insulation / glass fibers for insulation, insulating fabrics  <u>Class 19:</u> Branching pipes not of metal, drain pipes not of metal, penstock pipes not of metal, rigid pipes, not of metal, for building, sandstone pipes, water-pipes, not of metal  <u>Class 35:</u> Advertising		
4.		Class 17 – 11780078  Class 19- 11780116  Class 35- 11780152	<u>Class 17:</u> Unprocessed and semi-processed rubber, gutta-percha, gum, asbestos, mica and substitutes for all these materials; plastics and resins in extruded form for use in manufacture; packing, stopping and insulating materials; flexible pipes, tubes and hoses, not of metal, blocks and rods, fiberglass fabrics for insulation / fiberglass fabrics for insulation, fiberglass for insulation / fiberglass for insulation / glass fibers for insulation / glass fibers for insulation, insulating fabrics  <u>Class 19:</u> Branching pipes not of metal, drain pipes not of metal, penstock pipes not of metal, rigid pipes, not of metal, for building, sandstone pipes, water-pipes, not of metal  <u>Class 35:</u> Advertising	January 13, 2025	Applied

#### FINANCIAL INDEBTEDNESS OF THE COMPANY

As on the date of this Draft Red Herring Prospectus, our Company has availed both secured and unsecured loans. For further details, please refer to the section “*Statement of Financial Indebtness*” beginning on page 233 of this Draft Red Herring Prospectus.

## KEY INDUSTRY REGULATIONS AND POLICIES

*Our operations require sanctions from the concerned authorities, under the relevant Central and State legislations. The following is an overview of some of the important laws, policies and regulations which are pertinent to our business. Taxation statutes such as the I.T. Act, GST and applicable Labour laws, contractual laws, and intellectual property laws as the case may be, apply to us as they do to any other Indian company. The statements below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. The regulations set out below may not be exhaustive and are only intended to provide general information to Investors and are neither designed nor intended to be a substitute for professional legal advice.*

### APPROVALS

For the purpose of the business undertaken by our Company, it is required to comply with various laws, statutes, rules, regulations, executive orders, etc. that may be applicable from time to time. The details of such approvals have more particularly been described for your reference in the chapter titled “**Government and Other Statutory Approvals**” beginning on page 238 of this Draft Red Herring Prospectus.

### ➤ INDUSTRY SPECIFIC REGULATIONS:

#### **The Factories Act, 1948**

The Factories Act defines a ‘factory’ to be any premises including the precincts thereof, on which on any day in the previous 12 months, 10 or more workers are or were working and in which a manufacturing process is being carried on or is ordinarily carried on with the aid of power; or where at least 20 workers are or were working on any day in the preceding 12 months and on which a manufacturing process is being carried on or is ordinarily carried on without the aid of power. State governments prescribe rules with respect to the prior submission of plans, their approval for the establishment of factories and the registration and licensing of factories.

The Factories Act provides that the ‘occupier’ of a factory (defined as the person who has ultimate control over the affairs of the factory and in the case of a company, any one of the directors) shall ensure the health, safety and welfare of all workers while they are at work in the factory, especially in respect of safety and proper maintenance of the factory such that it does not pose health risks, the safe use, handling, storage and transport of factory articles and substances, provision of adequate instruction, training and supervision to ensure workers’ health and safety, cleanliness and safe working conditions.

#### **Importer-Exporter Code**

Under the Indian Foreign Trade Policy, 2004, no export or import can be made by a person or company without an Importer Exporter Code number unless such person/company is specifically exempted. An application for an Importer Exporter Code number has to be made to the office of the Joint Director General of Foreign Trade, Ministry of Commerce. An Importer Exporter Code number allotted to an applicant is valid for all its branches/divisions/ units/factories.

#### **The Digital Personal Data Protection Act, 2023 (“DPDP Act”)**

The DPDP Act was notified on August 11, 2023 and is yet to come into effect. It replaces the existing data protection provision, as contained in Section 43A of the IT Act. The DPDP Act shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint and different dates may be appointed for different provisions of the DPDP Act. The DPDP Act seeks to balance the rights of individuals to protect their digital personal data with the need to process personal data for lawful and other incidental purposes. The DPDP Act provides that personal data may be processed only for a lawful purpose after obtaining the consent of the individual. A notice must be given before seeking consent, except in case of legitimate uses as provided under the DPDP Act. It further imposes certain obligations on data fiduciaries including (i) make reasonable efforts to ensure the accuracy and completeness of data, (ii) build reasonable security safeguards to prevent a data breach, (iii) inform the Data Protection Board of India (the “DPB”) and affected persons in the event of a breach, and (iv) erase personal data as soon as the purpose has been met and retention is not necessary for legal purposes (storage limitation). In case of government entities, storage limitation and the right of the data principal to erasure will not apply. The DPDP Act imposes certain additional obligations on a significant data fiduciary, such as appointment of a data protection officer, appointment of an independent data auditor and undertaking of other measures namely, periodic data protection impact assessment, periodic audit and such other measures as may be prescribed under the DPDP Act. The Central Government will establish the DPB. Key functions of the DPB include: (i) monitoring compliance and imposing penalties, (ii) directing data fiduciaries to take necessary measures in the event of a data breach, and (iii) hearing grievances made by affected persons. The DPB members will be

appointed for two years and will be eligible for re-appointment. The Central Government will prescribe details such as the number of members of the DPB and the selection process.

### **The Micro, Small and Medium Enterprises Development Act, 2006**

In order to promote and enhance the competitiveness of Micro, Small and Medium Enterprise (MSME) the Act was enacted. With effect from July 01, 2020 the Manufacturing enterprises and enterprises rendering Services have been re-classified as Micro enterprise, where the investment in plant and machinery does not exceed Rs.1 Crore and annual turnover does not exceed ₹ 5 Crore; Small enterprise, where the investment in plant and machinery does not exceed Rs.10 crore and annual turnover does not exceed ₹ 50 Crore; a Medium enterprise, where the investment in plant and machinery does not exceed ₹ 50 crore and annual turnover does not exceed ₹ 250 Crore.

### **The Municipal Solid Wastes (Management and Handling) Rules, 2000**

The Municipal Solid Wastes Rules apply to every municipal authority responsible for the collection, segregation, storage, transportation, processing, and disposal of municipal solid wastes. The rules stress the Municipal Solid Wastes should be disposed by following proper scientific management. It gives more emphasis to proper collection, segregation, transportation, processing and disposal of solid waste so as to protect the environment and health of the public. The rules also lay emphasis to upgrade existing facilities to arrest contamination of soil and ground water.

### **Standards of Weights and Measures Act, 1976**

The Standards of Weights and Measures Act, 1976 (the “Act”) was enacted to regulate trade or commerce in weights, measures and other goods which are sold or distributed by weight, measure or number and to provide for such matters as may be connected thereto. The Act enumerates the specific base units to measure goods and products. Any offence under this Act is punishable with imprisonment or fine or with both based on the type of violation.

### **Legal Metrology Act, 2009 (the “LM Act”) and the Legal Metrology (Packaged Commodities) Rules, 2011 (the “LM Rules”)**

The LM Act seeks to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure, or number. The LM Act provides for inter alia standard weights and measures and requirements for verification and stamping of weight and measure. LM Rules inter alia provide that certain commodities shall be packed for sale, distribution and delivery in standard quantities as laid down under the LM Rules. LM Rules also provide for declarations that must be made on packages, where those declarations should appear on the package and the manner in which the declaration is to be made.

#### **➤ LABOUR RELATED LEGISLATIONS:**

### **The Code on Wages, 2019 (the “Code”)**

The Code received the assent of the President of India on August 8, 2019. The provisions of the Code shall come into effect from the date notified in the Official Gazette by the Central Government. The Code will replace the four existing ancient laws namely (i) the Payment of Wages Act, 1936, (ii) the Minimum Wages Act, 1948, (iii) the Payment of Bonus Act, 1965, and (iv) the Equal Remuneration Act, 1976. The Code will apply to all employees and allows the Central Government to set a minimum statutory wage.

The four existing laws are as follows:

- **The Payment of Wages Act, 1936**

Payment of Wages Act, 1936, as amended by Payment of Wages (Amendment) Act, 2017 (the “Act”) is aimed at regulating the payment of wages to certain classes of persons employed in certain specified industries and to ensure a speedy and effective remedy for them against illegal deductions or unjustified delay caused in paying wages to them. The Act confers on the person(s) responsible for payment of wages certain obligations with respect to the maintenance of registers and the display in such factory/establishment, of the abstracts of this Act and Rules made thereunder.

- **The Minimum Wages Act, 1948**

The Minimum Wages Act, 1948 (the “Act”) came into force with an objective to provide for the fixation of a minimum wage payable by the employer to the employee. Every employer is mandated to pay the minimum wages to all employees engaged to do any work skilled, unskilled, and manual or clerical (including out-workers) in any employment listed in the schedule to this Act, in respect of which minimum rates of wages have been fixed or revised under the Act.

- **The Payment of Bonus Act, 1965**

The Payment of Bonus Act, 1965 provides for payment of minimum bonus to factory employees and every other establishment in which 20 or more persons are employed and requires maintenance of certain books and registers and filing of monthly returns showing computation of allocable surplus, set on and set off of allocable surplus and bonus due.

- **The Equal Remuneration Act, 1976 (the “Remuneration Act”)**

The Equal Remuneration Act, 1976 aims to provide for the payment of equal remuneration to men and women workers and for the prevention of discrimination, on the ground of sex, against women in the matter of employment and for matters connected therewith or incidental thereto. According to the Remuneration Act, no employer shall pay to any worker, employed by him/her in an establishment, a remuneration (whether payable in cash or in kind) at rates less favourable than those at which remuneration is paid by him to the workers of the opposite sex in such establishment for performing the same work or work of a similar nature. In addition, no employer shall for complying with the foregoing provisions of the Remuneration Act, reduce the rate of remuneration of any worker. No employer shall, while making recruitment for the same work or work of a similar nature, or in any condition of service subsequent to recruitment such as promotions, training or transfer, make any discrimination against women except where the employment of women in such work is prohibited or restricted by or under any law for the time being in force.

### **Occupational Safety, Health and Working Conditions Code, 2019**

The Government of India enacted ‘The Occupational Safety, Health and Working Conditions Code, 2020 which received the assent of the President of India on September 28, 2020. The provisions of this code will be brought into force on a date to be notified by the Central Government. It proposes to subsume 13 labour legislations, including the Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979, that concern our business.

### **Industrial Relations Code, 2020**

The Government of India enacted ‘The Industrial Relations Code, 2020’ which received the assent of the President of India on September 28, 2020. The provisions of this code will be brought into force on a date to be notified by the Central Government. It proposes to subsume three separate legislations, namely, the Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946.

### **Trade Unions Act, 1926**

Provisions of the Trade Union Act, 1926 provide that any dispute between employers and workmen or between workmen and workmen, or between employers and employers which is connected with the employment, or non-employment, or the terms of employment or the conditions of labour, of any person shall be treated as trade dispute. For every trade dispute a trade union has to be formed. For the purpose of Trade Union Act, 1926, Trade Union means combination, whether temporary or permanent, formed primarily for the purpose of regulating the relations between workmen and employers or between workmen and workmen, or between employers and employers, or for imposing restrictive conditions on the conduct of any trade or business etc.

### **Industrial Disputes Act, 1947**

The Industrial Disputes Act, 1947 (Industrial Disputes Act) provides for mechanism and procedure to secure industrial peace and harmony by investigation and settlement of industrial disputes by negotiations. The Industrial Disputes Act extends to whole of India and applies to every industrial establishment carrying on any business, trade, manufacture or distribution of goods and services irrespective of the number of workmen employed therein. Every person employed in an establishment for hire or reward including contract labour, apprentices and part time employees to do any manual, clerical, skilled, unskilled, technical, operational or supervisory work, is covered by the Act. The Act also provides for (a) the provision for payment of compensation to the Workman on account of closure or layoff or retrenchment. (b) the procedure for prior permission of appropriate Government for laying off or retrenching the workers or closing industrial establishments (c) restriction on unfair labour practices on part of an employer or a trade union or workers.

### **Contract Labour (Regulation and Abolition) Act, 1970, As Amended (The “CLRA Act”)**

The Contract Labour (Regulation and Abolition) Act, of 1970 (the “CLRA Act”) requires a company to be registered as a principal employer and prescribes certain obligations with respect to the welfare and health of contract labourers. The CLRA vests responsibility in the principal employer of an establishment, to which the CLRA applies, to make an application to the concerned officer for registration of the concerned establishment. In the absence of such registration, contract labour cannot be employed in the concerned establishment. Likewise, every contractor, to whom the CLRA

applies, is required to obtain a license and may not undertake or execute any work through contract labour except under and in accordance with the license issued. To ensure the welfare and health of the contract labour, the CLRA imposes certain obligations on the contractor in relation to the establishment of canteens restrooms, drinking water, washing facilities, first aid, other facilities and payment of wages. However, in the event the contractor fails to provide these amenities, the principal employer is under an obligation to provide these facilities within a prescribed time period. Penalties, including both fines and imprisonment, may be levied for contravention of the provisions of the CLRA.

### **The Employees' Pension Scheme, 1995**

Family pension in relation to this act means the regular monthly amount payable to a person belonging to the family of the member of the Family Pension Fund in the event of his death during the period of reckonable service. The scheme shall apply to all the employees who become a member of the Employees' Provident Fund (EPF) or Provident Fund (PF) of the factories provided that the age of the employee should not be more than 59 years in order to be eligible for membership under this act. Every employee who is member of EPF or PF has an option of the joining scheme. The employer shall prepare a Family Pension Fund contribution card in respect of the entire employee who is member of the fund.

### **Child Labour (Prohibition and Regulation) Act, 1986**

This statute prohibits employment of children below 14 years of age in certain occupations and processes and provides for regulation of employment of children in all other occupations and processes. Under this Act the employment of child labour in the building and construction industry is prohibited.

### **Code on Social Security, 2020**

The Government of India enacted 'The Code on Social Security, 2020 which received the assent of the President of India on September 28, 2020. The provisions of this code will be brought into force on a date to be notified by the Central Government. It proposes to subsume nine separate legislations including the (i) Employee's Compensation Act, 1923, (ii) the Employees' State Insurance Act, 1948, (iii) the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, (iv) the Maternity Benefit Act, 1961 and (v) the Payment of Gratuity Act, 1972. The relevant laws that the code shall subsume, are currently as follows –

- **Employee's Compensation Act, 1923 (the "Employee's Act")**

The Employees' Compensation Act, 1923 provides for payment of compensation to injured employees or workmen by certain classes of employers for personal injuries caused due to an accident arising out of and during the course of employment. Under the Employee's Act, the amount of compensation to be paid depends on the nature and severity of the injury. The Employee's Act also lays down the duties/obligations of an employer and penalties in cases of non-fulfilment of such obligations. There are separate methods of calculation or estimation of compensation for injury sustained by the employee. The employer is required to submit to the Commissioner for Employees' Compensation a report regarding any fatal or serious bodily injury suffered by an employee within 7 days of death/serious bodily injury.

- **Employee's State Insurance Act, 1948 (the "ESI Act")**

It is an Act to provide for certain benefits to employees in case of sickness, maternity and 'employment injury' and to make provision for certain other matters in relation thereto. It shall apply to all factories (including factories belonging to the Government) other than seasonal factories. The ESI Act requires all the employees of the establishments to which this Act applies to be insured in the manner provided there under. Employers and employees both are required to make contributions to the fund. The return of the contribution made is required to be filed with the Employees' State Insurance Corporation.

- **Employees' Provident Funds and Miscellaneous Provisions Act, 1952 (the "EPF Act")**

The EPF Act is applicable to an establishment employing more than 20 employees and as notified by the government from time to time. All the establishments under the EPF Act are required to be registered with the appropriate Provident Fund Commissioner. Also, in accordance with the provisions of the EPF Act, the employers are required to contribute to the employees' provident fund the prescribed percentage of the basic wages, dearness allowances and remaining allowance (if any) payable to the employees. The employee shall also be required to make an equal contribution to the fund. The Central Government under Section 5 of the EPF Act (as mentioned above) frames Employees' Provident Scheme, 1952.

- **Maternity Benefit Act, 1961**

The Maternity Benefit Act, 1961 (the “Act”) provides for leave and right to payment of maternity benefits to women employees in case of confinement or miscarriage etc. The Act is applicable to every establishment which is a factory, mine or plantation including any such establishment belonging to government and to every establishment of equestrian, acrobatic and other performances, to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a state, in which 10 or more persons are employed, or were employed, on any day of the preceding twelve months; provided that the state government may, with the approval of the Central Government, after giving at least two months’ notice shall apply any of the provisions of this Act to establishments or class of establishments, industrial, commercial, agricultural or otherwise.

- **Payment of Gratuity Act, 1972**

The Payment of Gratuity Act, 1972 (the “Act”) shall apply to every factory, mine plantation, port and railway company; to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a State, in which 10 or more persons are employed, or were employed, on any day of the preceding twelve months; such other establishments or class of establishments, in which 10 or more employees are employed, on any day of the preceding twelve months, as the Central Government, may by notification, specify in this behalf. A shop or establishment to which this Act has become applicable shall be continued to be governed by this Act irrespective of the number of persons falling below ten at any day. The gratuity shall be payable to an employee on termination of his employment after he has rendered continuous service of not less than five years on superannuation or his retirement or resignation or death or disablement due to accident or disease. The five-year period shall be relaxed in case of termination of service due to death or disablement.

### **Employees Deposit Linked Insurance Scheme, 1976**

The scheme shall be administered by the Central Board constituted under section 6C of the EPF Act. The provisions relating to recovery of damages for default in payment of contribution with the percentage of damages are laid down under Section 8A of the Act. The employer falling under the scheme shall send to the Commissioner within fifteen days of the close of each month a return in the prescribed form. The register and other records shall be produced by every employer to the Commissioner or other officer so authorized and shall be produced for inspection from time to time. The amount received as the employer’s contribution and also the Central Government’s contribution to the insurance fund shall be credited to an account called a “Deposit-Linked Insurance Fund Account.”

### **Apprentices Act, 1961**

The Apprentices Act, 1961, as amended (the Apprentices Act) regulates and controls the program of training of apprentices and matters connected therewith. The term Apprentice means a person who is undergoing apprenticeship training in pursuance of a contract of apprenticeship. Apprenticeship Training means a course of training in any industry or establishment undergone in pursuance of a contract of apprenticeship and under prescribed terms and conditions which may be different for different categories of apprentices. Every person engaging as an apprentice is required to enter into a contract of apprenticeship with the employer which is reviewed and registered by the apprenticeship advisor.

### **The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (the “Act”)**

In order to curb the rise in sexual harassment of women at workplace, this Act was enacted for prevention and redressal of complaints and for matters connected therewith or incidental thereto. The terms sexual harassment and workplace are both defined in the Act. Every employer should also constitute an “Internal Complaints Committee” and every officer and member of the company shall hold office for a period of not exceeding three years from the date of nomination. Any aggrieved woman can make a complaint in writing to the Internal Committee in relation to sexual harassment of female at workplace. Every employer has a duty to provide a safe working environment at workplace which shall include safety from the persons coming into contact at the workplace, organising awareness programs and workshops, display of rules relating to the sexual harassment at any conspicuous part of the workplace, provide necessary facilities to the internal or local committee for dealing with the complaint, such other procedural requirements to assess the complaints.

### **The Occupational Safety, Health and Working Conditions Code, 2020 (The “Occupational Conditions Code”)**

The Occupational Safety, Health and Working Conditions Code, 2020 received the assent of the President of India on September 28, 2020. This code aims to bring together and streamline various labour laws related to occupational safety, health, and working conditions. It seeks to subsume several existing legislations, including the Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979, and the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996. Among its provisions, the Occupational Safety, Health and Working Conditions Code establishes standards for health, safety, and working conditions for employees in various establishments. It is designed to enhance the overall welfare and protection of workers by ensuring safe working environments and regulating employment

practices. The code is part of a larger labour law reform initiative that aims to simplify compliance for both employers and employees while improving the welfare of the workforce. The code will come into effect on a date to be notified by the Central Government.

### **The Public Liability Insurance Act, 1991 and the Public Liability Insurance Rules, 1991**

The PLI Act imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. A list of hazardous substances covered by the legislation has been enumerated by the government by way of a notification. Under the law, the owner or handler is also required to take out an insurance policy insuring against liability. The rules made under the PLI Act mandate the employer to contribute towards the Environmental Relief Fund a sum equal to the premium paid on the insurance policies.

#### ➤ **TAX RELATED LEGISLATIONS:**

##### **Income Tax Act, 1961**

The IT Act is applicable to every Company, whether domestic or foreign whose income is taxable under the provisions of the IT Act or Rules made thereunder depending upon its Residential Status and Type of Income involved. The IT Act provides for the taxation of persons resident in India on global income and persons not resident in India on income received, accruing or arising in India or deemed to have been received, accrued or arising in India. Every Company which is assessed to income tax under the IT Act is required to comply with the provisions thereof, including those relating to Tax Deduction at Source, Advance Tax, Minimum Alternative Tax and like. Every such Company is also required to file its returns by September 30 of each assessment year.

##### **Central Goods and Services Tax Act, 2017**

The GST Act levies indirect tax throughout India to replace many taxes levied by the Central and State Governments. The GST Act was applicable from July 1, 2017 and combined the Central Excise Duty, Commercial Tax, Value Added Tax (VAT), Food Tax, Central Sales Tax (CST), Introit, Octroi, Entertainment Tax, Entry Tax, Purchase Tax, Luxury Tax, Advertisement Tax, Service Tax, Customs Duty, Surcharges. GST is levied on all transactions such as sale, transfer, purchase, barter, lease, or import of goods and/or services. India has adopted a dual GST model, meaning that taxation is administered by both the Union and State Governments. Transactions made within a single state are levied with Central GST (CGST) by the Central Government and State GST (SGST) by the government of that state. For inter-state transactions and imported goods or services, an Integrated GST (IGST) is levied by the Central Government. GST is a consumption-based tax; therefore, taxes are paid to the state where the goods or services are consumed and not the state in which they were produced.

##### **Customs Act, 1962**

The provisions of the Customs Act, 1962 and rules made thereunder are applicable at the time of import of goods i.e., bringing into India from a place outside India or at the time of export of goods i.e., taken out of India to a place outside India. Any Company required to import or export any goods is first required to get itself registered and obtain an IEC (Importer Exporter Code).

#### ➤ **FOREIGN INVESTMENT LAWS:**

##### **Foreign Trade (Development and Regulation) Act, 1992**

The FTA is the main legislation concerning foreign trade in India. The FTA, read along with the Foreign Trade (Regulation) Rules, 1993, provides for the development and regulation of foreign trade by facilitating imports into, and augmenting exports from, India and for matters connected therewith or incidental thereto. It authorizes the government to formulate as well as announce the export and import policy and to keep amending the same on a timely basis. The government has also been given wide powers to prohibit, restrict and regulate the exports and imports in general as well as specified cases of foreign trade. The FTA read with the Foreign Trade Policy, 2023, prohibits anybody from undertaking any import or export except under an importer-exporter code (“IEC”) number granted by the Director General of Foreign Trade. Hence, every entity in India engaged in any activity involving import/export is required to obtain an IEC unless specifically exempted from doing so. The IEC shall be valid until it is cancelled by the issuing authority. An IEC number allotted to an applicant is valid for all its branches, divisions, units and factories. Failure to obtain the IEC number shall attract a penalty under the FTA.

##### **Foreign Exchange Management Act, 1999 & Rules thereunder**

Foreign investment in India is governed primarily by the provisions of the FEMA, and the rules, regulations and notifications thereunder, as issued by the RBI from time to time and the FEMA Rules and the Consolidated FDI Policy. In terms of the Consolidated FDI Policy, foreign investment is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the Government route, depending upon the sector in which the foreign investment is sought to be made. In terms of the Consolidated FDI Policy, the work of granting government approval for foreign investment under the Consolidated FDI Policy and FEMA has now been entrusted to the concerned administrative ministries/departments.

The FEMA Rules were enacted on October 17, 2019 in supersession of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2017, except for things done or omitted to be done before such supersession. The total holding by any individual NRI, on a repatriation basis, shall not exceed five percent of the total paid-up equity capital on a fully diluted basis or shall not exceed five percent of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10 percent may be raised to 24 percent if a special resolution to that effect is passed by the general body of the Indian company.

The total holding by each FPI or an investor group, shall be less than 10 percent of the total paid-up equity capital on a fully diluted basis or less than 10 percent of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all FPIs put together, including any other direct and indirect foreign investments in the Indian company permitted under these rules, shall not exceed 24 per cent of paid-up equity capital on a fully diluted basis or paid-up value of each series of debentures or preference shares or share warrants. The said limit of 10 percent and 24 percent shall be called the individual and aggregate limit, respectively.

### **Foreign Direct Investment**

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment (“FDI”) through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“DIPP”), has issued consolidated FDI Policy Circular of 2020 (“FDI Policy 2020”), which with effect from October 15, 2020, consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy issued by the DIPP that were in force. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2020 will be valid until the DIPP issues an updated circular. The Reserve Bank of India (“RBI”) also issues Master Directions Foreign Investment in India and updates at the same from time to time. Presently, FDI in India is being governed by Master Directions on Foreign Investment No. RBI/FED/2017-18/60 FED Master Direction No. 11/2017-18 dated January 4, 2018, as updated from time to time by RBI. In terms of the Master Directions, an Indian company may issue fresh shares to people resident outside India (who are eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh issue of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master Directions. The Indian company making such fresh issue of shares would be subject to the reporting requirements, inter-alia with respect to consideration for issue of shares and also subject to making certain filings including the filing of Form FC-GPR.

### **Foreign Trade Policy:**

The Foreign Trade Policy provides that no export or import can be made by a person without an IEC unless such person is specifically exempted. The policy provides for all exports and imports made shall be governed by the Foreign Trade Policy, unless otherwise specified. FTP provides for handbook of procedures laying down the procedure to be followed by an exporter or importer or by any Licensing/Regional Authority or by any other authority for purposes of implementing provisions of FT (D&R) Act, the Rules and the Orders made there under and provisions of FTP.

### **➤ LAWS RELATING TO SPECIFIC STATE WHERE ESTABLISHMENT IS SITUATED:**

#### **Shops and Establishments laws in various states**

As per the provisions of local Shops and Establishments laws applicable in the State of West Bengal, establishments are required to be registered. Such laws regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees.

#### **Stamp Act in various states**



The purpose of the Stamp Act was to streamline and simplify transactions of immovable properties and securities by the State Government. The Stamp Act provides for the imposition of stamp duty at the specified rates on instruments listed in Schedule IA of the Stamp Act. Stamp duty is payable on all instruments/ documents evidencing a transfer or creation or extinguishment of any right, title or interest in immovable property. However, under the Constitution of India, the states are also empowered to prescribe or alter the stamp duty payable on such documents executed within the states. Therefore, the State Government of West Bengal is empowered to prescribe or alter the stamp duty as per their need.

### **Professions, Trade, Callings and Employments Act in various states**

The professional tax slabs in India are applicable to those citizens of India who are either involved in any profession or trade. The State Government of West Bengal is empowered with the responsibility of structuring as well as formulating the respective professional tax criteria and is also required to collect funds through professional tax. The professional taxes are charged on the income of individuals, profits of business or gains of vocations. The tax payable under the State Acts by any person earning a salary or wage shall be deducted by his employer from the salary or wages payable to such persons before such salary or wages is paid to him, and such employer shall, irrespective of whether such deduction has been made or not when the salary and wage is paid to such persons, be liable to pay tax on behalf of such persons and employer has to obtain the registration from the assessing authority in the prescribed manner.

### ➤ **INTELLECTUAL PROPERTY LEGISLATIONS**

**In-general the Intellectual Property Rights includes but is not limited to the following enactments:**

#### **Indian Patents Act, 1970**

A patent is an intellectual property right relating to inventions and is the grant of exclusive right, for limited period, provided by the Government to the patentee, in exchange of full disclosure of his invention, for excluding others from making, using, selling, importing the patented product or process producing that product. The term invention means a new product or process involving an inventive step capable of industrial application.

#### **The Copyright Act, 1957**

Copyright is a right given by the law to creators of literary, dramatic, musical and artistic works and producers of cinematograph films and sound recordings. In fact, it is a bundle of rights including, inter alia, rights of reproduction, communication to the public, adaptation and translation of the work. There could be slight variations in the composition of the rights depending on the work.

#### **Trade Marks Act, 1999 (“TM Act”)**

The Trademarks Act, 1999 provides for the application and registration of trademarks in India for granting exclusive rights to marks such as a brand, label and heading and obtaining relief in case of infringement for commercial purposes as a trade description. The TM Act prohibits any registration of deceptively similar trademarks among others. It also provides for penalties for infringement, falsifying and falsely applying for trademarks.

#### **Design Act, 2000**

As per the Designs Act, 2000, a ‘Design’ means only the features of shape, configuration, pattern or ornament or composition of lines or colour or combination thereof applied to any article whether two dimensional or three dimensional or in both forms, by any industrial process or means, whether manual, mechanical or chemical, separate or combined, which in the finished article appeal to and are judged solely by the eye, but does not include any mode or principle or construction or anything which is in substance a mere mechanical device, and does not include any trade mark or copyright. A design registration in India under the Designs Act, 2000 is referred to as a registered design.

### ➤ **ENVIRONMENTAL LEGISLATIONS:**

#### **The Environment Protection Act, 1986 and Environment (Protection) Rules, 1986**

The Environment Protection Act, 1986 (the “Act”) is an "umbrella" legislation designed to provide a framework for coordination of the activities of various Central and State authorities established under various laws. The potential scope of the Act is broad, with "environment" defined to include water, air and land and the interrelationships which exist among water, air and land, and human beings and other living creatures such as plants, micro-organisms and property. Further, the Ministry of Environment and Forests looks into Environment Impact Assessment. The Ministry receives proposals for expansion, modernization and setting up of projects and the impact which such projects would have on the environment which is assessed by the Ministry in detail before granting clearances for such proposed projects.

### **National Environmental Policy, 2006**

This National Environmental Policy, 2006 (“Policy”) seeks to extend the coverage, and fill in gaps that still exist, in light of present knowledge and accumulated experience. This Policy was prepared through an intensive process of consultation within the Government and inputs from experts. It does not displace, but builds on the earlier policies. It is a statement of India's commitment to making a positive contribution to international efforts. This is a response to our national commitment to a clean environment, mandated in the Constitution in Articles 48 A and 51 A (g), strengthened by judicial interpretation of Article 21. The dominant theme of this Policy is that while conservation of environmental resources is necessary to secure livelihoods and well-being of all, the most secure basis for conservation is to ensure that people dependent on particular resources obtain better livelihoods from the fact of conservation, than from degradation of the resource. Following are the objectives of the National Environmental Policy:

1. Conservation of Critical Environmental Resources
2. Intra-generational Equity: Livelihood Security for the Poor
3. Inter-generational Equity
4. Integration of Environmental Concerns in Economic and Social Development
5. Efficiency in Environmental Resource Use
6. Environmental Governance
7. Enhancement of resources for Environmental Conservation.

### **The Water (Prevention and Control of Pollution) Act, 1974 (the “Water Act”)**

The Water Act aims to prevent and control water pollution as well as restore water quality by establishing and empowering the Central Pollution Control Board and the State Pollution Control Boards. Under the Water Act, any person establishing any industry, operation or process, any treatment or disposal system, use of any new or altered outlet for the discharge of sewage or new discharge of sewage, must obtain the consent of the relevant State Pollution Control Board, who is empowered to establish standards and conditions that are required to be complied with.

### **The Air (Prevention and Control of Pollution) Act, 1981 (the “Air Act”)**

The Air (Prevention and Control of Pollution) Act, 1981 has been enacted to provide for the prevention, control and abatement of air pollution. Pursuant to the provisions of the Air Act, any person, establishing or operating any industrial plant within an air pollution control area, must obtain the consent of the relevant State Pollution Control Board prior to establishing or operating such industrial plant. No person operating any industrial plant in any air pollution control area is permitted to discharge the emission of any air pollutant in excess of the standards laid down by the State Pollution Control Board.

### **The Noise Pollution (Regulation & Control) Rules 2000 (“Noise Regulation Rules”)**

The Noise Regulation Rules regulate noise levels in industrial, commercial and residential zones. The Noise Regulation Rules also establish zones of silence of not less than 100 meters near schools, courts, hospitals, etc. The rules also assign regulatory authority for these standards to the local district courts. Penalty for non-compliance with the Noise Regulation Rules shall be under the provisions of the Environment (Protection) Act, 1986.

### **The Municipal Solid Wastes (Management and Handling) Rules, 2000 (“Waste Management Rules, 2000”) as superseded by Solid Waste Management Rules, 2016 (“Waste Management Rules, 2016”)**

The Waste Management Rules, 2000 applied to every municipal authority responsible for collection, segregation, storage, transportation, processing and disposal of municipal solid wastes. Any municipal solid waste generated in a city or a town, was required to be managed and handled in accordance with the compliance criteria and the procedure laid down in Schedule II of the Waste Management Rules, 2000. The Waste Management Rules, 2000 make the persons or establishments generating municipal solid wastes responsible for ensuring delivery of wastes in accordance with the collection and segregation system as notified by the municipal authority. The Waste Management Rules, 2000 have been superseded by the Waste Management Rules, 2016 which stipulate various duties of waste generators which, inter alia, include segregation and storage of waste generated by them in the manner prescribed in the Waste Management Rules, 2016; separate storage of construction and demolition waste and payment of user fee for solid waste management as specified in the bye-laws of the local bodies.

### **Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008 (“Hazardous Wastes Rules”)**

The Hazardous Wastes Rules impose an obligation on every occupier of an establishment generating hazardous waste to recycle or reprocess or reuse such wastes in a registered recycler or to dispose of such hazardous wastes in an authorized disposal facility. Every person engaged, inter alia, in the generation, processing, treatment, package, storage and destruction of hazardous waste is required to obtain an authorization from the relevant state PCB for collecting, recycling, reprocessing, disposing, storing and treating the hazardous waste.

### **Plastic Waste management Rules,2016**

Under the Plastic Waste Management Rules, 2016, all institutional generators of plastic waste, are required to inter alia, segregate and store the waste generated by them in accordance with the Solid Waste Management Rules, 2016, and handover segregated wastes to authorized waste processing or disposal facilities or deposition centers, either on its own or through the authorized waste collection agency. The waste generator shall also take steps to minimize the generation of plastic waste. The Plastic Waste Management Rules, 2016 also require the producers, importers and brand owners to collect back the plastic waste generated due to their products.

### **➤ ANTI-TRUST LAWS**

#### **Competition Act, 2002**

The Competition Act, 2002 (the “Act”) is to prevent practices having adverse effects on competition, to promote and sustain competition in markets, to protect the interest of consumers and to ensure freedom of trade in India. The Act deals with prohibition of anti-competitive agreements. No enterprise or group shall abuse its dominant position in various circumstances as mentioned under the Act.

### **➤ GENERAL LAWS**

#### **The Consumer Protection Act, 2019**

The Consumer Protection Act, of 2019 which repeals the Consumer Protection Act, of 1986, was designed and enacted to provide simpler and quicker access to redress consumer grievances. It seeks, inter alia to promote and protect the interests of consumers against deficiencies and defects in goods or services and secure the rights of a consumer against unfair trade practices, which may be practiced by manufacturers, service providers, and traders. The definition of “consumer” has been expanded under the Consumer Protection Act to include persons engaged in offline or online transactions through electronic means or by tele-shopping direct-selling or multi-level marketing. One of the substantial changes introduced by the Consumer Protection Act is the inclusion of the e-commerce industry under the Consumer Protection Act with “e-commerce” defined to refer to the buying and selling of goods or services over a digital or electronic network. Therefore, the Consumer Protection Act aims to cover entities that are involved in the process of selling goods or services online. It provides for the establishment of consumer dispute redressal forums and commissions for the purposes of redressal of consumer grievances. In addition to awarding compensation and/or passing corrective orders, the forums and commissions under the Consumer Protection Act, in cases of misleading and false advertisements, are empowered to impose imprisonment for a term that may extend to two years and a fine that may extend to ten lakhs. In cases of manufacturing for sale or storing, selling or distributing or importing products containing an adulterant, the imprisonment may vary between six months to seven years and a fine between one lakh to ten lakh depending upon the nature of injury to the consumer.

#### **The Registration Act, 1908**

The Registration Act, 1908 (the “Registration Act”) was enacted with the object of providing public notice of execution of documents affecting a transfer of interest in property. The Registration Act identifies documents for which registration is compulsory and includes among other things, any non-testamentary instrument which purports or operates to create, declare, assign, limit or extinguish, whether in present or in future, any right, title or interest, whether vested or contingent, in immovable property and a lease of immovable property for any term exceeding one year or reserving a yearly rent. It also provides for non-compulsory registration of documents as enumerated in the provisions.

#### **Companies Act, 2013**

The Companies Act, 2013, has replaced the Companies Act, 1956 in a phased manner. The Act received the assent of the President of India on 29th August 2013. The Companies Act deals with incorporation of companies and the procedure for incorporation and post incorporation. The conversion of private companies into public companies and vice versa is also laid down under the Companies Act, 2013. The procedure related to appointment of Directors. The procedure relating

to winding up, voluntary winding up, appointment of liquidator also forms part of the Act. Further, Schedule V (read with sections 196 and 197), Part I lays down the conditions to be fulfilled for the appointment of a managing or whole-time director or manager. It provides the list of Acts under which if a person is prosecuted, he cannot be appointed as the director or Managing Director or Manager of a Company. The provisions relating to remuneration of the directors payable by the companies is under Part II of the said schedule.

### **The Sale of Goods Act, 1930**

The Sale of Goods Act, 1930 governs contracts relating to sale of goods in India. The contracts for sale of goods are subject to the general principles of the law relating to contracts. A contract of sale may be an absolute one or based on certain conditions. The Sale of Goods Act contains provisions in relation to the essential aspects of such contracts, including the transfer of ownership of the goods, delivery of goods, rights and duties of the buyer and seller, remedies for breach of contract and the conditions and warranties implied under a contract for sale of goods.

### **The Registration Act, 1908**

The Registration Act was passed to consolidate the enactments relating to the registration of documents. The main purpose for which the Registration Act was designed was to ensure information about all deals concerning land so that correct land records could be maintained. The Registration Act is used for proper recording of transactions relating to other immovable property also. The Registration Act provides for registration of other documents also, which can give these documents more authenticity. Registering authorities have been provided in all the districts for this purpose.

### **The Indian Contract Act, 1872**

The Indian Contract Act, 1872 codifies the way in which a contract may be entered into, executed, implementation of the provisions of a contract and effects of breach of a contract. A person is free to contract on any terms he chooses. The Contract Act consists of limiting factors subject to which contract may be entered into, executed and the breach enforced. It provides a framework of rules and regulations that govern formation and performance of contracts. The contracting parties themselves decide the rights and duties of parties and terms of agreement.

### **The Specific Relief Act, 1963**

The Specific Relief Act is complementary to the provisions of the Contract Act and the T.P. Act, as the Act applies both to movable property and immovable property. The Act applies in cases where the Court can order specific performance of a contract. Specific relief can be granted only for the purpose of enforcing individual civil rights and not for the mere purpose of enforcing a civil law. Specific performance means the Court will order the party to perform his part of agreement, instead of imposing on him any monetary liability to pay damages to another party.

### **Negotiable Instruments Act, 1881**

In India, cheques are governed by the Negotiable Instruments Act, 1881, which is largely a codification of the English Law on the subject. The Act provides effective legal provision to restrain people from issuing cheques without having sufficient funds in their account or any stringent provision to punish them in the event of such cheques not being honored by their bankers and returned unpaid. Section 138 of the Act, creates statutory offence in the matter of dishonor of cheques on the ground of insufficiency of funds in the account maintained by a person with the banker which is punishable with imprisonment for a term which may extend to two year, or with fine which may extend to twice the amount of the cheque, or with both.

Apart from the above list of laws, which is inclusive in nature and not exhaustive, following general laws are also applicable to the Company:

- Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959,
- Transfer of Property Act, 1882,
- Information Technology Act, 2000,
- The Bharatiya Nyaya Sanhita, 2023,
- The Bharatiya Nagarik Suraksha Sanhita, 2023,
- The Bharatiya Sakshya Adhinyam, 2023 etc.

## OUR HISTORY AND CERTAIN OTHER CORPORATE MATTERS

### BRIEF HISTORY AND CORPORATE PROFILE

Our Company was originally incorporated on September 10, 2008, as a Private Limited Company in the name of “ARC Insulation & Insulators Private Limited” under the provisions of the Companies Act, 1956 bearing Corporate Identification Number U18109WB2008PTC129263 issued by the Deputy Registrar of Companies, West Bengal. Subsequently, our Company acquired the entire running business on a going concern basis with the Assets and Liabilities of M/s. ARC Insulation and Insulators, sole proprietorship Firm represented by our Promoter Mr. Manish Bajoria effective vide Business Transfer Agreement dated June 01, 2009. Thereafter, pursuant to a Special Resolution of our Shareholders passed in the Extra-Ordinary General Meeting held on June 11, 2024, our Company was converted from a Private Limited Company to Public Limited Company and consequently, the name of our Company was changed to ‘ARC Insulation & Insulators Limited’ and a Fresh Certificate of Incorporation consequent to Conversion was issued on August 5, 2024 bearing Corporate Identification Number U18109WB2008PLC129263 issued by the Registrar of Companies, Central Processing Centre.

As on date of this Draft Red Herring Prospectus, our Company has 21 (Twenty-One) shareholders.

Initial Subscribers of the Company are:

- 1) Mr. Manish Bajoria
- 2) Ms. Neelam Bajoria

Our Company is promoted by:

- 1) Mr. Manish Bajoria
- 2) Ms. Neelam Bajoria
- 3) Mr. Ashish Bajoria
- 4) M/s. Swabhumi Distributors Private Limited
- 5) M/s. Manish Bajoria HUF

For information on our Company’s business profile, activities, services, managerial competence, and customers, see chapters titled, “*Our Business*”, “*Financial Statements as Restated*”, and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page 138, 216 and 217 respectively of this Draft Red Herring Prospectus.

### ADDRESS OF REGISTERED OFFICE

Our Company’s Registered Office is situated at Village-Ramdevpur, PO-Bawali Bishnupur 2, Parganas South, Bishnupur, West Bengal-743384 India.

For Details on other locations of our Company, please see chapters titled, “*Our Business*” beginning on page 138.

### CHANGES IN OUR REGISTERED OFFICE

There has been a change in the Registered Office of the Company since the date of incorporation. However, address of Registered Office of the same has been updated as per the below given details:

Date of Change	From	To	Reason
September 10, 2008 (Upon Incorporation)	5, Buroshibtala Main Road, Kolkata - 700038, West Bengal, India		-
August 20, 2010	5, Buroshibtala Main Road, Kolkata - 700038, West Bengal, India	Village-Ramdevpur, PO-Bawali Bishnupur 2, Parganas South, Bishnupur, West Bengal-743384, India	To increase Operational Efficiency

## MAJOR EVENTS AND MILESTONES

The table below sets forth some of the key events in the history of our Company:

Year	Event
2008	Incorporation of our Company as Private Limited Company in the name and style of ARC Insulation & Insulators Private Limited"
2009	Acquisition of running business of proprietorship firm 'M/s ARC Insulation and Insulators' via Business Transfer Agreement dated June 01, 2009
2020	Achieved Turnover of more than ₹ 10 Crores
2021	Certificate of Quality Management System ISO 9001:2015 issued by Assurance Quality Certification LLC
2022	Certificate of Pollution Control issued by West Bengal Pollution Control Board
2024	Conversion of Private Limited Company to Public Limited Company
2024	Issue & Allotment of Bonus Shares in the proportion of 3:1 i.e. Three (3) Bonus Equity Share for every One (1) existing Equity Shares of the Company

## MAIN OBJECTS OF OUR COMPANY

The object clause of the Memorandum of Association of our Company enables us to undertake the activities for which the funds are being raised in the present Offer.

Furthermore, the activities of our Company which we have been carrying out until now are in accordance with the objects of the Memorandum. The main objects contained in the Memorandum of Association of our Company are:

To carry on the business as manufacturer, producer, processor, inventors, converter, importer, exporter, trader, buyer, seller, retailer, wholesaler, supplier, stockiest, agent, sub-agent, merchant, distributor, assembler jobber of or otherwise deal in all kinds of Glass Fiber Reinforce Polymer/Fiber Reinforce Polymers composite Products including but not limited to FRP/GFRP Structural Profiles, FRP Deck, FRP Handrail, FRP Fencing, GFRP Ladder, Cable Clamps, FRP Canopy, FRP Stairs/Crossovers, FRP Cross Arm, FRP/GFRP Pultruded Gratings, FRP/GFRP Moulded Gratings, GFRP/FRP pipes, GFRP/FRP Pole, GFRP/FRP Tank reinforced plastic rods, fiber reinforced plastic rods, rigid fiber reinforced plastic rods and long splice free plastic reinforced rods and to provide innovative GFRP solutions for various applications in the construction, infrastructure, chemical processing, and other industrial sectors and also supplies of optical fiber cable, power cables, telecom equipment, fiber reinforced insulation tubes, fiber reinforced polymer such as roofing sheets, fiber glass roofs and prefabricated shelters., FRP tanks, industrial tanks, fiber reinforced plastic tanks and industrial fiber reinforced plastic tanks, fiber reinforced plastic cable trays, channel type cable trays, FRP cable trays, perforated cable trays and perforated channel type cable trays.

## AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION OF OUR COMPANY

The following changes have been made in the Memorandum of Association of our Company since incorporation:

Date of Meeting	Meeting	Nature of Amendment																											
November 03, 2009	EGM	<p><b>Clause V of our Memorandum of Association was amended to reflect:</b></p> <p>Increase in Authorised Share Capital from ₹ 25.00 Lakh to ₹ 1.00 Crore.</p> <table border="1"> <thead> <tr> <th rowspan="2">Nature of Share Capital</th> <th colspan="3">Before Amendment</th> <th colspan="3">After Amendment</th> </tr> <tr> <th>No. of Shares</th> <th>Face Value (in ₹)</th> <th>Amount (in ₹)</th> <th>No. of Shares</th> <th>Face Value (in ₹)</th> <th>Amount (in ₹)</th> </tr> </thead> <tbody> <tr> <td>Equity Share Capital</td> <td>2,50,000</td> <td>10</td> <td>25,00,000</td> <td>10,00,000</td> <td>10</td> <td>1,00,00,000</td> </tr> <tr> <td><b>Total</b></td> <td><b>2,50,000</b></td> <td><b>10</b></td> <td><b>25,00,000</b></td> <td><b>10,00,000</b></td> <td><b>10</b></td> <td><b>1,00,00,000</b></td> </tr> </tbody> </table>	Nature of Share Capital	Before Amendment			After Amendment			No. of Shares	Face Value (in ₹)	Amount (in ₹)	No. of Shares	Face Value (in ₹)	Amount (in ₹)	Equity Share Capital	2,50,000	10	25,00,000	10,00,000	10	1,00,00,000	<b>Total</b>	<b>2,50,000</b>	<b>10</b>	<b>25,00,000</b>	<b>10,00,000</b>	<b>10</b>	<b>1,00,00,000</b>
Nature of Share Capital	Before Amendment			After Amendment																									
	No. of Shares	Face Value (in ₹)	Amount (in ₹)	No. of Shares	Face Value (in ₹)	Amount (in ₹)																							
Equity Share Capital	2,50,000	10	25,00,000	10,00,000	10	1,00,00,000																							
<b>Total</b>	<b>2,50,000</b>	<b>10</b>	<b>25,00,000</b>	<b>10,00,000</b>	<b>10</b>	<b>1,00,00,000</b>																							

December 5, 2011	EGM	<p><b>Clause V of our Memorandum of Association was amended to reflect:</b></p> <p>Increase in Authorised Share Capital from ₹ 1.00 Crore to ₹ 1.40 Crores.</p> <table border="1"> <thead> <tr> <th rowspan="2">Nature of Share Capital</th> <th colspan="3">Before Amendment</th> <th colspan="3">After Amendment</th> </tr> <tr> <th>No. of Shares</th> <th>Face Value (in ₹)</th> <th>Amount (in ₹)</th> <th>No. of Shares</th> <th>Face Value (in ₹)</th> <th>Amount (in ₹)</th> </tr> </thead> <tbody> <tr> <td>Equity Share Capital</td> <td>10,00,000</td> <td>10</td> <td>1,00,00,000</td> <td>14,00,000</td> <td>10</td> <td>1,40,00,000</td> </tr> <tr> <td><b>Total</b></td> <td><b>10,00,000</b></td> <td><b>10</b></td> <td><b>1,00,00,000</b></td> <td><b>14,00,000</b></td> <td><b>10</b></td> <td><b>1,40,00,000</b></td> </tr> </tbody> </table>	Nature of Share Capital	Before Amendment			After Amendment			No. of Shares	Face Value (in ₹)	Amount (in ₹)	No. of Shares	Face Value (in ₹)	Amount (in ₹)	Equity Share Capital	10,00,000	10	1,00,00,000	14,00,000	10	1,40,00,000	<b>Total</b>	<b>10,00,000</b>	<b>10</b>	<b>1,00,00,000</b>	<b>14,00,000</b>	<b>10</b>	<b>1,40,00,000</b>
Nature of Share Capital	Before Amendment			After Amendment																									
	No. of Shares	Face Value (in ₹)	Amount (in ₹)	No. of Shares	Face Value (in ₹)	Amount (in ₹)																							
Equity Share Capital	10,00,000	10	1,00,00,000	14,00,000	10	1,40,00,000																							
<b>Total</b>	<b>10,00,000</b>	<b>10</b>	<b>1,00,00,000</b>	<b>14,00,000</b>	<b>10</b>	<b>1,40,00,000</b>																							
January 24, 2018	EGM	<p><b>Clause V of our Memorandum of Association was amended to reflect :</b></p> <p>Increase in Authorised Share Capital from ₹ 1.40 Crore to ₹ 1.90 Crores.</p> <table border="1"> <thead> <tr> <th rowspan="2">Nature of Share Capital</th> <th colspan="3">Before Amendment</th> <th colspan="3">After Amendment</th> </tr> <tr> <th>No. of Shares</th> <th>Face Value (in ₹)</th> <th>Amount (in ₹)</th> <th>No. of Shares</th> <th>Face Value (in ₹)</th> <th>Amount (in ₹)</th> </tr> </thead> <tbody> <tr> <td>Equity Share Capital</td> <td>14,00,000</td> <td>10</td> <td>1,40,00,000</td> <td>19,00,000</td> <td>10</td> <td>1,90,00,000</td> </tr> <tr> <td><b>Total</b></td> <td><b>14,00,000</b></td> <td><b>10</b></td> <td><b>1,40,00,000</b></td> <td><b>19,00,000</b></td> <td><b>10</b></td> <td><b>1,90,00,000</b></td> </tr> </tbody> </table>	Nature of Share Capital	Before Amendment			After Amendment			No. of Shares	Face Value (in ₹)	Amount (in ₹)	No. of Shares	Face Value (in ₹)	Amount (in ₹)	Equity Share Capital	14,00,000	10	1,40,00,000	19,00,000	10	1,90,00,000	<b>Total</b>	<b>14,00,000</b>	<b>10</b>	<b>1,40,00,000</b>	<b>19,00,000</b>	<b>10</b>	<b>1,90,00,000</b>
Nature of Share Capital	Before Amendment			After Amendment																									
	No. of Shares	Face Value (in ₹)	Amount (in ₹)	No. of Shares	Face Value (in ₹)	Amount (in ₹)																							
Equity Share Capital	14,00,000	10	1,40,00,000	19,00,000	10	1,90,00,000																							
<b>Total</b>	<b>14,00,000</b>	<b>10</b>	<b>1,40,00,000</b>	<b>19,00,000</b>	<b>10</b>	<b>1,90,00,000</b>																							
June 11, 2024	EGM	<p><b>Change in Name of the Company:</b></p> <p>Clause 1 of the Memorandum of Association was amended to reflect the change of name of our Company from 'ARC Insulation &amp; Insulators Private Limited' to 'ARC Insulation &amp; Insulators Limited'</p>																											
August 7, 2024	EGM	<p><b>Clause V of our Memorandum of Association was amended to reflect :</b></p> <p>Increase in Authorised Share Capital from ₹ 1.90 Crore to ₹ 15.00 Crores.</p> <table border="1"> <thead> <tr> <th rowspan="2">Nature of Share Capital</th> <th colspan="3">Before Amendment</th> <th colspan="3">After Amendment</th> </tr> <tr> <th>No. of Shares</th> <th>Face Value (in ₹)</th> <th>Amount (in ₹)</th> <th>No. of Shares</th> <th>Face Value (in ₹)</th> <th>Amount (in ₹)</th> </tr> </thead> <tbody> <tr> <td>Equity Share Capital</td> <td>19,00,000</td> <td>10</td> <td>1,90,00,000</td> <td>1,50,00,000</td> <td>10</td> <td>15,00,00,000</td> </tr> <tr> <td><b>Total</b></td> <td><b>19,00,000</b></td> <td><b>10</b></td> <td><b>1,90,00,000</b></td> <td><b>1,50,00,000</b></td> <td><b>10</b></td> <td><b>15,00,00,000</b></td> </tr> </tbody> </table>	Nature of Share Capital	Before Amendment			After Amendment			No. of Shares	Face Value (in ₹)	Amount (in ₹)	No. of Shares	Face Value (in ₹)	Amount (in ₹)	Equity Share Capital	19,00,000	10	1,90,00,000	1,50,00,000	10	15,00,00,000	<b>Total</b>	<b>19,00,000</b>	<b>10</b>	<b>1,90,00,000</b>	<b>1,50,00,000</b>	<b>10</b>	<b>15,00,00,000</b>
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Equity Share Capital	19,00,000	10	1,90,00,000	1,50,00,000	10	15,00,00,000																							
<b>Total</b>	<b>19,00,000</b>	<b>10</b>	<b>1,90,00,000</b>	<b>1,50,00,000</b>	<b>10</b>	<b>15,00,00,000</b>																							
September 23, 2024	EGM	<p><b>Change in Main Object of the Company:</b></p> <p>Clause 3 of the Memorandum of Association was amended to alter the main object of the Company</p>																											

#### DETAILS REGARDING ACQUISITION OF BUSINESS / UNDERTAKINGS, MERGERS, AMALGAMATIONS OR REVALUATION OF ASSETS

Our Company has not made any material acquisitions or divestments of any business or undertaking, and has not undertaken any mergers, amalgamation or revaluation of assets in the last ten years.

#### DETAILS REGARDING HOLDING / SUBSIDIARY, ASSOCIATE COMPANIES AND JOINT VENTURE

As on date of filing of this Draft Red Herring Prospectus, our Company does not have any Holding or Associate Company or Joint Venture or a Subsidiary company.

#### CAPACITY / FACILITY CREATION, LOCATION OF PLANTS

For information on our Company's business profile, Capacity and location of Plant, see chapters titled, ***“Our Business”*** beginning on page 138.

#### **GUARANTEES PROVIDED BY OUR PROMOTER**

As on the date of this Draft Red Herring Prospectus, no guarantee has been issued by Promoter except as disclosed in the ***“Statement of Financial Indebtedness”*** on page 233 of this Draft Red Herring Prospectus.

#### **CAPITAL RAISING (DEBT / EQUITY):**

For details in relation to our capital raising activities through equity, please refer to the chapter titled ***“Capital Structure”*** beginning on page 78 of the Draft Red Herring Prospectus. For details of our Company's debt facilities, see ***“Statement of Financial Indebtedness”*** on page 233 of the Draft Red Herring Prospectus.

#### **CHANGES IN THE ACTIVITIES OF OUR COMPANY SINCE INCORPORATION**

There have been no changes in the activities of our Company since incorporation which may have had a material effect on the profits and loss account of our Company, including discontinuance of lines of business, loss of agencies or markets and similar factors.

#### **CHANGES IN THE MANAGEMENT**

For details of change in Management, please see chapter titled ***“Our Management”*** on page 185 of the Draft Red Herring Prospectus.

#### **DEFAULTS OR RESCHEDULING OF BORROWINGS FROM FINANCIAL INSTITUTIONS / BANKS**

There have been no defaults or rescheduling / restructuring of borrowings with financial institutions / banks in respect of borrowings of our Company.

#### **INJUNCTION OR RESTRAINING ORDER**

Except as disclosed in the section titled ***“Outstanding Litigation and Material Developments”*** beginning on page 234 of this Draft Red Herring Prospectus, there are no injunctions / restraining orders that have been passed against the Company.

#### **LOCK OUTS AND STRIKES**

There have been no lock outs or strikes at any of the units of our Company.

#### **TIME AND COST OVER RUNS**

Our Company has not implemented any projects and has therefore, not experienced any time or cost overrun in setting up of projects.

#### **SHAREHOLDERS' AGREEMENTS**

As on the date of this Draft Red Herring Prospectus, our Company has not entered into any Shareholders' Agreements.

#### **AGREEMENTS WITH KEY MANAGERIAL PERSONNEL OR SENIOR MANAGEMENT A DIRECTOR OR PROMOTER OR ANY OTHER EMPLOYEE OF THE COMPANY**

Except as mentioned in Chapter titled ***“Our Management”*** beginning on page 185 of this Draft Red Herring Prospectus, there are no agreements entered into by key managerial personnel or senior management or a Director or Promoter or any other employee of the Company, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of the Company.

#### **MATERIAL AGREEMENTS**

As on the date of this Draft Red Herring Prospectus, our Company has not entered into any material agreements other than in the ordinary course of business carried on by our Company. For details on business agreements of our Company, please refer to the section titled ***“Our Business”*** beginning on page 138 of this Draft Red Herring Prospectus.

#### **Other Agreements:**



- i. **Non-Compete Agreement:** Our Company has not entered into any Non-compete Agreement as on the date of filing of this Draft Red Herring Prospectus.
- ii. **Joint Venture Agreement:** Our Company has not entered into any Joint Venture Agreement as on the date of filing of this Draft Red Herring Prospectus.

#### **STRATEGIC PARTNERS**

As of the date of this Draft Red Herring Prospectus, our Company does not have any Strategic Partners.

#### **FINANCIAL PARTNERS**

As on the date of this Draft Red Herring Prospectus, apart from the various arrangements with bankers and financial institutions which our Company undertakes in the ordinary course of business, our Company does not have any other financial partners.

## OUR MANAGEMENT

Under Articles of Association of our Company, the number of directors shall not be less than 3 (three) and not be more than 15 (Fifteen), subject to the applicable provisions of the Companies Act, 2013.

As of the date of this Draft Red Herring Prospectus, our Company has 5 (Five) Directors on the Board, 1 (One) as Managing Director, 1 (One) as Executive Director, 1 (One) as Non-Executive Director and 2 (Two) as Non-Executive Independent Directors.

Set forth below are details regarding the Board of Directors as on the date of this Draft Red Herring Prospectus:

Name, Father's / Husband's Name, Age, Designation, Address, Occupation, Nationality, DIN and Term	Date of Appointment / Reappointment	Other Directorships / Designated Partners
<p><b>Mr. Manish Bajoria</b></p> <p><b>DOB:</b> August 24, 1970</p> <p><b>Age:</b> 54 Years</p> <p><b>Qualification:</b> Bachelor of Commerce</p> <p><b>Designation:</b> Managing Director and Chief Financial Officer</p> <p><b>Address:</b> Tower 1, Flat-25B, South City, 375 Prince Anwar Shah Road, Jodhpur Park, Kolkata-700068, West Bengal, India</p> <p><b>Occupation:</b> Business</p> <p><b>Nationality:</b> Indian</p> <p><b>DIN:</b> 02203237</p> <p><b>Term:</b> Change in Designation from Executive Director to Managing Director of the Company for a period of 5 years w.e.f. June 11, 2024 up to June 10, 2029.</p>	<p>Appointed as Executive Director w.e.f. September 10, 2008.</p> <p>Change in designation from Executive Director to Managing Director of the Company for a period of 5 years w.e.f. June 11, 2024, up to June 10, 2029.</p> <p>Appointed as Chief Financial Officer w.e.f. June 11, 2024.</p>	<p><b>Companies</b></p> <ul style="list-style-type: none"> <li>• Swabhumi Distributors Private Limited</li> </ul> <p><b>Limited Liability Partnerships</b></p> <p>Nil</p>
<p><b>Ms. Neelam Bajoria</b></p> <p><b>DOB:</b> October 03, 1972</p> <p><b>Age:</b> 52 Years</p> <p><b>Qualification:</b> Bachelor of Arts</p> <p><b>Designation:</b> Executive Director</p> <p><b>Address:</b> Tower 1, Flat-25B, South City, 375 Prince Anwar Shah Road, Jodhpur Park, Kolkata- 700068, West Bengal, India</p> <p><b>Occupation:</b> Business</p> <p><b>Nationality:</b> Indian</p> <p><b>DIN:</b> 02250051</p> <p><b>Term:</b> Appointed as Executive Director w.e.f. September 10, 2008</p>	<p>Appointed as Executive Director w.e.f. September 10, 2008.</p>	<p><b>Companies</b></p> <ul style="list-style-type: none"> <li>• Swabhumi Distributors Private Limited</li> </ul> <p><b>Limited Liability Partnerships</b></p> <p>Nil</p>

Name, Father's / Husband's Name, Age, Designation, Address, Occupation, Nationality, DIN and Term	Date of Appointment / Reappointment	Other Directorships / Designated Partners
<p><b>Mr. Ashish Bajoria</b></p> <p><b>DOB:</b> April 03, 1975</p> <p><b>Age:</b> 49 Years</p> <p><b>Qualification:</b> Bachelor of Commerce</p> <p><b>Designation:</b> Non-Executive Director</p> <p><b>Address:</b> 1/2 Harish Mukherjee Road, Lala Lajpathrai Sarani, L.R Sarani, Kolkata-700020, West Bengal, India</p> <p><b>Occupation:</b> Business</p> <p><b>Nationality:</b> Indian</p> <p><b>DIN:</b> 10662463</p> <p><b>Term:</b> Appointed as Non-Executive Director of the Company w.e.f. June 11, 2024.</p>	<p>Appointed as Non-Executive Director of the Company w.e.f. June 11, 2024.</p>	<p><b>Companies</b></p> <p>Nil</p> <p><b>Limited Liability Partnerships</b></p> <p>Nil</p>
<p><b>Ms. Chetna Gupta</b></p> <p><b>DOB:</b> August 14, 1987</p> <p><b>Age:</b> 37 Years</p> <p><b>Qualification:</b> Bachelor of Business Administration, Bachelor of Law, Master of Business Administration and Company Secretary.</p> <p><b>Designation:</b> Independent Director</p> <p><b>Address:</b> 25 Chinar Park, Destiny Tower, Flat No.- 5 B, Rajarhat Gopalpur(M), North 24 Parganas 700157, West Bengal, India</p> <p><b>Occupation:</b> Professional</p> <p><b>Nationality:</b> Indian</p> <p><b>DIN:</b> 02212440</p> <p><b>Term:</b> Appointed as Independent Director of the Company for a period of 5 years from August 07, 2024, to August 06, 2029</p>	<p>Appointed as Independent Director of the Company for a period of 5 years from August 07, 2024, to August 06, 2029.</p>	<p><b>Companies</b></p> <ul style="list-style-type: none"> <li>• Julien Agro Infratech Limited</li> <li>• Associated Coaters Limited</li> </ul> <p><b>Limited Liability Partnerships</b></p> <ul style="list-style-type: none"> <li>• Deepak Khaitan &amp; Co. LLP</li> <li>• Wow Organic LLP</li> </ul>

Name, Father's / Husband's Name, Age, Designation, Address, Occupation, Nationality, DIN and Term	Date of Appointment / Reappointment	Other Directorships / Designated Partners
<p><b>Ms. Suruchi Jain Virendra Kumar Jain</b></p> <p><b>DOB:</b> June 17, 1990</p> <p><b>Age:</b> 34 years</p> <p><b>Qualification:</b> Bachelor of Commerce and Company Secretary</p> <p><b>Designation:</b> Independent Director</p> <p><b>Address:</b> 30 Perumal Street, Kalaimagal School, Backside, Erode, Tamil Nadu – 638001, India</p> <p><b>Occupation:</b> Professional</p> <p><b>Nationality:</b> Indian</p> <p><b>DIN:</b> 10205026</p> <p><b>Term:</b> Appointed as Independent Director of the Company for a period of 5 years from August 07, 2024, to August 06, 2029.</p>	<p>Appointed as Independent Director of the Company for a period of 5 years from August 07, 2024 to August 06, 2029.</p>	<p><b>Companies</b></p> <ul style="list-style-type: none"> <li>• Cresnet Cables Limited</li> <li>• Konark Commercial Limited</li> <li>• Ramesh Nidhi Limited</li> </ul> <p><b>Limited Liability Partnerships</b></p> <p>Nil</p>

#### BRIEF PROFILE OF OUR DIRECTORS

**Mr. Manish Bajoria** aged 54 is Director of the Company since Incorporation of the Company and later his designation was changed from Executive Director to Managing Director of the Company for a period of 5 years w.e.f. June 11, 2024, up to June 10, 2029. He is also Chief Financial officer of the company since June 11, 2024. He has a bachelor's degree in commerce from University of Calcutta in the year 1992. He has more than 16 years of experience in the field of Glass fiber Reinforced Polymer and composite product sector. He is a visionary entrepreneur and has played a pivotal role in setting up business of our Company. He primarily looks after the overall business operations of the Company. He is the driving force behind the working of the company and has been the mentor to all the employees. As a leader, he always delivers value to the customers and endeavour in fulfilling / exceeding their expectations and is involved in day-to-day execution of projects. He is responsible for providing strategic advice and guidance to the members of the board, to keep them aware of developments within the industry and ensure that the appropriate policies are developed to meet the company's mission and objectives and to comply with all relevant statutory and other regulations.

**Ms. Neelam Bajoria**, aged 52 years, is the Promoter and Executive Director of the Company. She has been associated with the company since its incorporation. She holds a bachelor's degree in Arts from the University of Calcutta in the year 1993, and has over 15 years of industry experience in the field of Management and Leadership skills for Glass fiber Reinforced Polymer and composite product sector. As the Operations Head, Ms. Bajoria has consistently demonstrated a strong commitment to fostering a culture of collaboration, accountability and continuous improvement within the team. Her ability to inspire and motivate team members, coupled with her vision, has been instrumental in achieving organisational goals and objectives is truly commendable. In her role as Director of the Company she has been instrumental in driving strategic planning, operational oversight, and business development initiatives. Throughout her tenure, Mrs. Bajoria has maintained the highest level of professionalism, integrity and dedication to their role. She has consistently exhibited strong ethical values, positive attitude and a relentless pursuit of excellence in all endeavours.

**Mr. Ashish Bajoria**, aged 49, is the Non-Executive Director of the Company. He was Appointed as Non-Executive Director of the Company w.e.f. June 11, 2024. He holds Bachelor of Commerce degree from the University of Calcutta, completed in 1996. He has over 10 years of professional experience in the field of Contributing to business development and growth, including a senior role at BG Industries from June, 06 2014 to March, 10 2024. and is recognized for his expertise in strategic planning, crisis management, and operational efficiency. His proven leadership and ability to drive business growth have been instrumental in shaping the company's strategic vision. He is highly regarded for his analytical, communication, and interpersonal skills, consistently delivering high-quality results making him an asset to the Company.

**Ms. Chetna Gupta**, aged 37, is an Independent Director of the Company, appointed on August 07, 2024 for a period of 5 years from August 07, 2024 to August 06, 2029. She holds a BBA from Rajasthan University in the year 2008. Bachelor's of Law from University of Rajasthan in the year 2013 and is a qualified Company Secretary and a fellow CS of ICSI since the year 2018. Additionally, she earned an MBA in Human Resource from Symbiosis Centre for Distance Learning in the year 2010 and became a Social Impact Assessor in 2024 from the ICSI Institute of Social Auditor, With over 10 years of professional experience in the Field of compliance, she leads her own PCS firm from the year 2011, Chetna Gupta & Associates, specializing in corporate restructuring, secretarial audits, due diligence, and IPO advisory. Her expertise spans multiple industries, including real estate, manufacturing, and healthcare, providing valuable insights in strategic deliberations, risk assessment, and performance evaluation.

**Ms. Suruchi Jain Virendra Kumar Jain**, aged 34, is an Independent Director of the Company, appointed on August 07, 2024, for a period of 5 years until August 06, 2029. She holds a Bachelors of Commerce Degree from Bharathiar University in the year 2010. She is an Associate Member from the Institute of Company Secretaries of India since 2016. She served as a Senior Associate at Intertrustviteos Corporate and Fund Services Private Limited from 2020 to 2024, gaining 4 years of experience in corporate law advisory, regulatory compliances, corporate secretarial matters, and due diligence services. Her professional expertise includes handling secretarial compliances, orchestrating AGMs, and ensuring legal and regulatory adherence. Her in-depth knowledge and perspective will greatly assist the Board in strategic planning and risk assessment.

## CONFIRMATIONS

- a) Except stated below, None of the Directors and Key Managerial Personnel of our Company are related to each other as per Section 2(77) of the Companies Act, 2013.

Sr. No.	Name of the Director	Name of the Director	Relationship
1.	Mr. Manish Bajoria	Ms. Neelam Bajoria	Spouse
2.	Mr. Ashish Bajoria	Mr. Manish Bajoria	Brother
3.	Ms. Neelam Bajoria	Mr. Ashish Bajoria	Brother in Law

- b) There are no arrangements or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the Directors or Key Managerial Personnel were selected as a director or Member of Senior Management.
- c) There are no service contracts entered by the Directors with our Company providing for benefits upon termination of employment.
- d) As on the date of this Draft Red Herring Prospectus, none of our directors are on the RBI List of wilful defaulters or Fraudulent Borrowers.
- e) As on the date of this Draft Red Herring Prospectus, none of our Directors are Fugitive Economic Offender under Section 12 of the Fugitive Economic Offenders Act, 2018.
- f) As on the date of this Draft Red Herring Prospectus, none of our director is or was a director of any listed Company during the last 5 (five) years preceding the date of this Draft Red Herring Prospectus, whose shares have been or were suspended from being traded on the Stock Exchange(s), during the term of their directorship in such Company.
- g) As on the date of this Draft Red Herring Prospectus, none of our director is or was a director of any listed Company which has been or was delisted from any stock exchange during the term of their directorship in such Company.
- h) As on the date of this Draft Red Herring Prospectus, none of the Promoter, Persons forming part of our Promoter Group, Directors or persons in control of our Company, has been or is involved as a promoter, director or person in control of any other Company, which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.
- i) No proceedings / investigations have been initiated by SEBI against any Company, the Board of Directors of which also comprises any of the Directors of our Company.

## REMUNERATION / COMPENSATION TO OUR DIRECTORS

The compensation payable to our Directors will be governed as per the terms of their appointment and shall be subject to the provisions of Section 2(54), Section 2(94), Section 188, Section 196, Section 197, Section 198 and Section 203 and any other applicable provisions, if any of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof or any of the provisions

of the Companies Act, 2013, for the time being in force). Set forth below is the remuneration payable by our Company to our Directors for upcoming financial years:

(₹ in Lakh)

Sr. No.	Name of Director	Remuneration shall not exceed
1.	Mr. Manish Bajoria	36.00
2.	Ms. Neelam Bajoria	24.00
	<b>Total</b>	60.00

#Remuneration paid for F.Y. 2023-24 the directors have been paid gross remuneration as follows:

(₹ in Lakh)

Sr. No.	Name of Director	Remuneration paid
1.	Mr. Manish Bajoria	36.00
2.	Ms. Neelam Bajoria	24.00
	<b>Total</b>	60.00

## TERMS AND CONDITIONS OF EMPLOYMENT OF OUR DIRECTORS

### Mr. Manish Bajoria – Managing Director & Chief Financial Officer

Mr. Manish Bajoria is the Promoter, Managing Director and CFO of the Company. He was appointed as Managing Director of the Company w.e.f. June 11, 2024, for a period of 5 consecutive years. The significant terms of his employment are as below:

<b>Remuneration</b>	Upto ₹ 36.00 Lakh per annum
<b>Bonus and Profit-sharing Ratio</b>	Not Applicable
<b>Term</b>	Appointed as Managing Director for a period of 5 (five) years commencing from June 11, 2024, to June 10, 2029.
<b>Remuneration in the event of loss or inadequacy of profits</b>	In the event of inadequacy or absence of profits in any financial years during his tenure, the Director will be paid remuneration as mentioned in Schedule V as may be approved by the Shareholders of the Company.

For further information on brief profile of Director, please refer the section **“Brief Profile of our Directors”**

### Ms. Neelam Bajoria – Executive Director

Ms. Neelam Bajoria, is the Executive Director of the company since September 10, 2008. The significant terms of his employment are as below:

<b>Remuneration</b>	Upto 24 Lakhs per annum
<b>Bonus and Profit-sharing Ratio</b>	Not Applicable
<b>Term</b>	Appointed as Executive Director w.e.f. September 10, 2008.
<b>Remuneration in the event of loss or inadequacy of profits</b>	In the event of inadequacy or absence of profits in any financial years during her tenure, the Director will be paid remuneration as mentioned in Schedule V as may be approved by the Shareholders of the Company.

For further information on brief profile of Director, please refer the section **“Brief Profile of our Directors”**

## SITTING FEES

The payment of sitting fees to the Non-Executive Director and Independent Directors of the Company for attending the meeting of the Board of Directors and meetings of the Committees of the Board of Directors in following manner:

Sr. No.	Name of Director	Fees for attending the meeting of	
		Board of Directors	Committee Meetings
1.	Mr. Ashish Bajoria	Upto ₹ 35,000 per meeting	Upto ₹ 35,000 per meeting
2.	Ms. Chetna Gupta	Upto ₹ 35,000 per meeting	Upto ₹ 35,000 per meeting
3.	Ms. Suruchi Jain Virendra Kumar Jain	Upto ₹ 35,000 per meeting	Upto ₹ 35,000 per meeting

## PAYMENT OF BENEFITS

Except to the extent of remuneration payable to the Managing Director & Executive Director for services rendered to our Company and to the extent of fees payable to the Non-Executive Director for the professional services provided by him/her and to the extent of other reimbursement of expenses payable to them as per their terms of appointment, our Company has not paid in the last 2 (two) years preceding the date of this Draft Red Herring Prospectus, and does not intend to pay, any amount or benefits to our directors.

#### **PAYMENT OR BENEFIT TO OFFICERS OF OUR COMPANY**

Except as stated otherwise in this Draft Red Herring Prospectus and any statutory payments made by our Company, no non-salary amount or benefit has been paid, since the incorporation, or given or is intended to be paid or given to any of our Company's officers except remuneration of services rendered as Directors, officers or employees of our Company.

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of such officer's employment in our Company or superannuation. Contributions are made regularly by our Company towards provident fund, gratuity fund and employee state insurance.

#### **BONUS OR PROFIT-SHARING PLAN FOR OUR DIRECTORS**

None of our Directors are a party to any bonus or profit-sharing plan.

#### **SHAREHOLDING OF DIRECTORS IN OUR COMPANY**

Our Articles of Association do not require our Directors to hold qualification shares.

As on date of this Draft Red Herring Prospectus, our Directors hold the following number of Equity Shares of our Company:

<b>Sr. No.</b>	<b>Name of Directors</b>	<b>No. of Equity Shares Held (Pre-Offer)</b>	<b>% of pre-Offer capital</b>
1	Mr. Manish Bajoria	36,95,280	50.95
2	Ms. Neelam Bajoria	12,36,000	17.04
3	Mr. Ashish Bajoria	400	0.01
4	Ms. Chetna Gupta	NIL	NIL
5	Ms. Suruchi Jain Virendra Kumar Jain	NIL	NIL
	<b>Total</b>	<b>49,31,680</b>	<b>68.00</b>

#### **SHAREHOLDING OF DIRECTORS IN OUR SUBSIDIARY**

As on date of this Draft Red Herring Prospectus, our Company does not have a subsidiary.

#### **INTEREST OF OUR DIRECTORS**

Our Managing Director & Executive Directors may be interested to the extent of remuneration paid to them, respectively for services rendered as a Directors of our Company and reimbursement of expenses payable to them. For details, please refer "*Terms and conditions of employment of our Managing Director and Executive Director and Non- Executive Director*" above. Further Non-executive Director, all our Independent Directors may be interested to the extent of fees payable to them and / or the commission payable to them for attending meetings of the Board of Directors or a committee thereof. The Independent Directors are paid sitting fees for attending the meetings of the Board and Committees of the Board and may be regarded as interested to the extent of such sitting fees and reimbursement of other expenses payable to them as per their terms of appointment.

Our Directors Mr. Manish Bajoria, Ms. Neelam Bajoria and Mr. Ashish Bajoria may be deemed to be interested in the Company to the extent of the Equity Shares held by them and to the extent of any dividend payable to them and other distributions in respect of the Equity Shares held by them if any.

#### **Interest in promotion of our Company**

Except Mr. Manish Bajoria and Ms. Neelam Bajoria none of our Directors have any interest in the promotion or formation of our Company as of the date of this Draft Red Herring Prospectus.

#### **Interest in the property of our Company**

Except as stated in the chapter titled **“Related Party Transaction”** beginning on page 215 of Draft Red Herring Prospectus, our Directors have not entered into any contract, agreement or arrangements within a period of 2 (two) years preceding the date of this Draft Red Herring Prospectus in which the Directors are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements or are proposed to be made to them. Further our directors do not have any interest in any immovable property to be acquired by the Company except otherwise disclosed in the heading titled **“Our Properties”** under the chapter titled **“Our Business”** beginning on page 138 of this Draft Red Herring Prospectus.

#### **Interest as Creditor of our Company**

As on the date of this Draft Red Herring Prospectus, except as stated in the chapter titled **“Statement of Financial Indebtedness”** and heading titled **“Related Party Transactions”** under chapter titled **“Financial Statements as Restated”**, our Company has not availed loans from Directors of our Company.

#### **Interest in the business of Our Company**

Further, save and except as stated otherwise in **“Statement of Related Parties’ Transactions”** in the chapter titled **“Financial Statements as Restated”** of this Draft Red Herring Prospectus, our directors do not have any other interests in our Company as on the date of this Draft Red Herring Prospectus. Our directors are not interested in the appointment of Underwriters, Registrar and Bankers to the Issue, or any such intermediaries registered with SEBI.

#### **Interest in transactions involving acquisition of land**

Our directors are not currently interested in any transaction with our Company involving acquisition of land. Except as stated / referred to under the heading titled **“Our Properties”** under chapter titled **“Our Business”** beginning on page 138 of this Draft Red Herring Prospectus, our directors have not entered into any contract, agreement or arrangements in relation to acquisition of property, since incorporation in which the Directors are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements or are proposed to be made to them.

#### **Interest as Member of a Company or Firm**

Except as stated in this chapter the section titled **“Related Party Transactions”** and the chapter **“Our Business”** beginning on page 215 and 138 of this Draft Red Herring Prospectus respectively, our Directors do not have any other interest in our business

#### **Other Interests**

Except as stated above, none of the beneficiaries of loans, advances and sundry debtors are related to the Directors of our Company.

No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our directors or to the firms or companies in which they are interested as a member by any person either to induce him to become, or to help him qualify as a Director, or otherwise for services rendered by him or by the firm or Company in which he is interested, in connection with the promotion or formation of our Company.

Further, our directors may be directors on the board, or are members, or are partners, or are trustees of certain Group Entities and may be deemed to be interested to the extent of the payments made by our Company, if any, to such Group Entities. For the payments that are made by our Company to certain Group Entities, please refer chapters titled **“Financial Statements as Restated”** and **“Related Party Transactions”** beginning on page 216 and 215 of this Draft Red Herring Prospectus.

### **CHANGES IN OUR BOARD DURING THE LAST THREE YEARS**

Except as disclosed below, there have been no changes in our Board during the last 3 (three) years.

<b>Sl. No.</b>	<b>Directors</b>	<b>Date of Event</b>	<b>Event</b>	<b>Reason for Change</b>
1.	Mr. Manish Bajoria	June 11, 2024	Change in Designation to Managing Director	Corporate Restructuring
2.	Mr. Ashish Bajoria	June 11, 2024	Appointed as Non-Executive Director	
3.	Ms. Chetna Gupta	August 07, 2024	Appointed as Independent Director	



4.	Ms. Suruchi Jain Virendra Kumar Jain	August 07, 2024	Appointed as Independent Director	
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## ORGANISATION STRUCTURE



## BORROWING POWERS OF OUR BOARD

Our Articles of Association, subject to applicable law, authorize our Board to raise or borrow money or secure the payment of any sum of money for the purposes of our Company. Pursuant to a resolution passed by our shareholders at their Extra Ordinary General Meeting held on August 07, 2024 our shareholders have authorized our Board to borrow any sum of money from time to time notwithstanding that the sum or sums so borrowed together with the monies, if any, already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the paid up capital and free reserves of the Company provided such amount does not exceed ₹ 200 Crore (Rupees Two Hundred Crore) over and above the aggregate of the paid up share capital and free reserves which may have not been set apart for any purpose.

## APPOINTMENT OF RELATIVES OF DIRECTORS TO ANY OFFICE OR PLACE OF PROFIT

Except as disclosed in this Draft Red Herring Prospectus, none of the relatives of our directors currently hold any office or place of profit in our Company.

## POLICIES ADOPTED BY OUR COMPANY

Our Company has adopted the following policies:

- a) Policy on Code of Conduct for Directors and Senior Management
- b) Policy of Audit Committee
- c) Policy of Nomination and Remuneration Committee
- d) Policy of Stakeholder Relationship Committee
- e) Policy on Code of Practices and Procedure for Fair Disclosure of Unpublished Price Sensitive Information
- f) Policy on Disclosure and Internal Procedure for Prevention of Insider Trading
- g) Policy on Whistle Blower and Vigil Mechanism
- h) Policy on Related Party Transactions (RPT)
- i) Policy for Preservation of Documents and Archival of Documents
- j) Policy for Prevention of Sexual Harassment
- k) Policy on Materiality for Disclosures of events to Stock Exchanges

- l) Policy on Code of Independent Directors and Familiarization of Independent Director
- m) Policy for identification of Materiality of outstanding Litigations involving Company, its subsidiary, Directors, Promoter and other Group Companies
- n) Policy on Corporate Social Responsibility
- o) Policy on Risk Management
- p) Policy on Board Diversity
- q) Policy on succession planning for the Board and Senior Management
- r) Criteria for Performance Evaluation of Independent Directors and the Board of Directors

## **CORPORATE GOVERNANCE**

In addition to the applicable provisions of the Companies Act, 2013 with respect to Corporate Governance, provisions of the SEBI (LODR) Regulation, 2015 will also be complied with the extent applicable to our Company immediately upon the listing of the Equity Shares on the Stock Exchange.

Our Company stands committed to good Corporate Governance practices based on the principles such as accountability, transparency in dealings with our stakeholders, emphasis on communication and transparent reporting. We have complied with the requirements of the applicable regulations, in respect of corporate governance including constitution of the Board and Committees thereof.

The Corporate Governance framework is based on an effective Independent Board, the Board's Supervisory role from the executive management team and constitution of the Board Committees, as required under law.

The Board functions either as a full board or through the various committees constituted to oversee specific operational areas.

As on the date of this Draft Red Herring Prospectus, there are 5 (Five) Directors on our Board out of which one third are Independent Directors. Our Company is in compliance with the corporate governance norms prescribed under the Companies Act, 2013, particularly, in relation to appointment of Independent Directors to our Board and constitution of Board level committees.

Our Company undertakes to take all necessary steps to continue to comply with all the requirements of the SEBI (LODR) Regulation, 2015 and the Companies Act, 2013.

## **COMMITTEES OF OUR BOARD**

The following committees have been constituted in terms of SEBI (LODR) Regulations, 2015 and the Companies Act, 2013:

- a) Audit Committee
- b) Stakeholders' Relationship Committee
- c) Nomination and Remuneration Committee
- d) Internal Complaints Committee
- e) Corporate Social Responsibility Committee

### **Audit Committee**

Our Company has constituted an Audit Committee ("Audit Committee"), as per Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (LODR) Regulation, 2015; vide resolution passed at the meeting of the Board of Directors held on September 03, 2024.

The terms of reference of Audit Committee adheres to the requirements of Regulation 18 of the SEBI (LODR) Regulation, 2015, proposed to be entered with the Stock Exchange in due course.

The committee presently comprises the following 4 (Four) directors:

Sr. No.	Name of Director	Status in Committee	Nature of Directorship
1	Ms. Chetna Gupta	Chairperson	Independent Director
2	Ms. Suruchi Jain Virendra Kumar jain	Member	Independent Director
3	Mr. Manish Bajoria	Member	Managing Director
4	Ms. Neelam Bajoria	Member	Executive Director

The Company Secretary & Compliance Officer of our Company shall act as the Secretary to the Audit Committee.

Set forth below are the scope, functions and the terms of reference of our Audit Committee, in accordance with Section 177 of the Companies Act, 2013 and Regulation 18(3) of the SEBI (LODR) Regulation, 2015.

#### **Meetings of Audit Committee and Quorum**

As required under Regulation 18 of the SEBI (LODR) Regulation, 2015, the Audit Committee shall meet at least 4 (four) times in a year, and not more than 120 (one hundred twenty) days shall elapse between two meetings. The quorum shall be two members present, or one-third of the members, whichever is greater, provided that there should be a minimum of two independent members present.

#### **Powers of Audit Committee**

The Audit Committee shall have powers, including the following:

- a) To investigate any activity within its terms of reference;
- b) To seek information from any employee;
- c) To obtain outside legal or other professional advice; and
- d) To secure attendance of outsiders with relevant expertise, if it considers necessary.

#### **Role of Audit Committee**

The role of the Audit Committee shall include the following:

- a) Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- b) Recommending to the Board the appointment, re-appointment and replacement, remuneration and terms of appointment of statutory auditor of the Company;
- c) Reviewing and monitoring the statutory auditor's independence and performance, and effectiveness of audit process;
- d) Approving payments to statutory auditors for any other services rendered by the statutory auditors of the Company;
- e) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-Section 3 of Section 134 of the Companies Act, 2013, as amended;
  - ii. Changes, if any, in accounting policies and practices and reasons for the same;
  - iii. Major accounting entries involving estimates based on the exercise of judgment by the management;
  - iv. Significant adjustments made in the financial statements arising out of audit findings;
  - v. Compliance with SEBI Listing Regulations and other legal requirements relating to financial statements;

- vi. Disclosure of any related party transactions; and
  - vii. Qualifications / modified opinion(s) in the draft audit report.
- f) Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the board for approval;
  - g) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
  - h) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
  - i) Approval or any subsequent modification of transactions of our Company with related parties and omnibus approval for related party transactions proposed to be entered by our Company subject to such conditions as may be prescribed;
  - j) Formulating a policy on related party transactions, which shall include materiality of related party transactions;
  - k) Scrutinizing of inter-corporate loans and investments;
  - l) Valuing of undertakings or assets of the Company, wherever it is necessary;
  - m) Evaluating of internal financial controls and risk management systems;
  - n) Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;
  - o) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
  - p) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
  - q) Discussing with internal auditors of any significant findings and follow up there on;
  - r) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
  - s) Discussing with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
  - t) Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
  - u) Reviewing the functioning of the whistle blower mechanism;
  - v) Approving the appointment of the Chief Financial Officer (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate; and
  - w) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee and any other terms of reference as may be decided by the Board and / or specified / provided under the Companies Act, 2013 or SEBI Listing Regulations or by any other regulatory authority.
  - x) Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision
  - y) Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders

Further, the Audit Committee shall mandatorily review the following information:

- a) management discussion and analysis of financial condition and results of operations;
- b) management letters / letters of internal control weaknesses issued by the statutory auditors;
- c) internal audit reports relating to internal control weaknesses; and
- d) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- e) statement of deviations: (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1); (b) annual statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice in terms of Regulation 32(7).

### **Stakeholders' Relationship Committee**

Our Company has constituted a shareholder / investors grievance committee "Stakeholders' Relationship Committee" to redress complaints of the shareholders. The Stakeholders' Relationship Committee was constituted vide resolution passed at the meeting of the Board of Directors held on September 03, 2024.

The Stakeholders' Relationship Committee comprises:

<b>Sr. No.</b>	<b>Name of Director</b>	<b>Status in Committee</b>	<b>Nature of Directorship</b>
1	Mr. Ashish Bajoria	Chairperson	Non-Executive Director
2	Mr. Manish Bajoria	Member	Managing Director
3	Ms. Suruchi Jain Virendra Kumar Jain	Member	Independent Director

The Company Secretary & Compliance Officer of our Company shall act as the Secretary to the Stakeholders' Relationship Committee.

The Stakeholders Relationship Committee shall oversee all matters pertaining to investors of our Company. The scope and function of the Stakeholders' Relationship Committee and its terms of reference shall include the following:

#### **Tenure**

The Stakeholder's Relationship Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Stakeholder's Relationship Committee as approved by the Board.

#### **Meetings**

The Stakeholder's Relationship Committee shall meet at least 1 (one) time in a year. The Chairperson of the Stakeholders Relationship Committee shall be present at the annual general meetings to answer queries of the security holders.

#### **Role of the Stakeholders' Relationship Committee**

The role of the Stakeholders' Relationship Committee shall include the following:

- a) Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc;
- b) Review of measures taken for effective exercise of voting rights by shareholders;
- c) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;
- d) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

## Nomination and Remuneration Committee

Our Company has constituted a Nomination and Remuneration Committee in accordance Section 178 of Companies Act, 2013. The constitution of the Nomination and Remuneration Committee was approved by a Meeting of the Board of Directors held on September 03, 2024.

The Nomination and Remuneration Committee comprises the following Directors:

Sr. No.	Name of Director	Status in Committee	Nature of Directorship
1	Ms. Chetna Gupta	Chairperson	Independent Director
2	Ms. Suruchi Jain Virendra Kumar Jain	Member	Independent Director
3	Mr. Ashish Bajoria	Member	Non-Executive Director

The Company Secretary & Compliance Officer of our Company shall act as the Secretary of the Nomination and Remuneration Committee.

The scope and function of the Committee and its terms of reference shall include the following:

### Tenure

The Nomination and Remuneration Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board.

### Meetings

The committee shall meet as and when the need arises for review of Managerial Remuneration. The quorum for a meeting of the nomination and remuneration committee shall be either two members or one third of the members of the committee, whichever is greater, including at least one independent director in attendance.

### Role of the Nomination and Remuneration Committee not limited to but includes:

- a) Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- b) For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - i. use the services of an external agencies, if required;
  - ii. consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - iii. consider the time commitments of the candidates
- c) Formulating of criteria for evaluation of performance of independent Directors and the Board;
- d) Devising a policy on Board diversity;
- e) Identifying persons who are qualified to become directors of our Company and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal. Our Company shall disclose the remuneration policy and the evaluation criteria in its Annual Report of our Company;
- f) Determining our Company's policy and recommending to the Board, all remuneration, in whatever form, payable to Senior management.

## Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee shall formulate and recommend a CSR policy to the Board, the Company has constituted a Corporate Social Responsibility Committee pursuant to resolution of the Board of Directors dated September 18, 2024. The Corporate Social Responsibility Committee shall recommend the amount of expenditure to be incurred on the CSR activities to be undertaken by the company, monitor the CSR policy of the Company from time to time and establish the transparent controlling mechanism for the implementation of the CSR projects or programs or activities undertaken by the company as per the requirements of the Companies Act, 2013, Listing Agreement and SEBI LODR for Corporate Governance.

The Corporate Social Responsibility Committee comprises the following members:

Sr. No.	Name of Director	Status in Committee	Nature of Directorship
1	Ms. Chetna Gupta	Chairperson	Independent Director
2	Ms. Neelam Bajoria	Member	Executive Director
3	Mr. Manish Bajoria	Member	Managing Director

*Role of the Corporate Social Responsibility Committee not limited to but includes:*

We further confirm that at least one Director is an Independent Director.

Company Secretary & Compliance Officer of our Company shall act as the secretary to the Corporate Social Responsibility Committee.

### Measures

In the aforesaid backdrop, policy on CSR of ARC Insulation & Insulators Limited is broadly framed taking into account the following measures:

The CSR activities shall be undertaken by ARC Insulation & Insulators Limited, as stated in this Policy, as projects or programs or activities (either new or ongoing), excluding activities undertaken in pursuance of its normal course of business.

The CSR activities which are exclusively for the benefit of ARC Insulation & Insulators Limited employees, or their family members shall not be considered as CSR activity.

ARC Insulation & Insulators Limited shall give preference to the local area or areas around it where it operates, for spending the amount earmarked for CSR activities.

The Board of ARC Insulation & Insulators Limited may decide to undertake its CSR activities as recommended by the CSR Committee, through a registered trust or a registered society or a company established by the company or its holding or subsidiary or associate company pursuant to Section 135 of the Companies Act, 2013 and rules made there-under.

The following is the list of CSR projects or programs which ARC Insulation & Insulators Limited plans to undertake pursuant to Schedule VII of the Companies Act, 2013:

- a) eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.
- b) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects.
- c) promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.
- d) ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.
- e) protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts.

- f) measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows.
- g) training to promote rural sports, nationally recognised sports, Paralympic sports and Olympic sports.
- h) contribution to the Prime Minister’s National Relief Fund or Prime Minister’s Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women.
- i) (a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and  
 (b) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).
- j) rural development projects.
- k) slum area development.
- l) disaster management, including relief, rehabilitation and reconstruction activities.

Any other measures with the approval of Board of Directors on the recommendation of CSR Committee subject to the provisions of Section 135 of Companies Act, 2013 and rules made there-under.

### **Organisational mechanism and responsibilities**

Constitution of Corporate Social Responsibility Committee

The Board of Directors of the Company shall constitute a Corporate Social Responsibility Committee of the Board (“CSR Committee”) consisting of three or more directors, out of which at least one director shall be an independent director.

#### **The CSR Committee shall –**

- a) Formulate and recommend to the Board, a CSR policy and activities to be undertaken by the company as per Schedule VII;
- b) Recommend the amount of expenditure to be incurred on the activities; and
- c) Monitor the Policy of the company from time to time.

The Board of the company shall after taking into account the recommendations made by the CSR Committee, approve the policy for the company and disclose contents of such Policy in its report and also place it on the company’s website and ensure that the activities as are included in the CSR Policy of the company are undertaken by the company.

ARC Insulation & Insulators Limited provide the vision under the leadership of its Managing Director, Mr. Manish Bajoria.

At the Company, the Managing Director takes on the role of the mentor, while the onus for the successful and time bound implementation of the CSR activities / projects is on the HR Head and CSR teams.

To measure the impact of the work done, a social satisfaction survey / audit is carried out by an external agency.

#### **Activities, setting measurable targets with timeframes and performance management:**



Prior to the commencement of CSR activities / projects, we carry out a baseline study of the nearby area / villages of the Company's Site Locations.

The study encompasses various parameters such as – health indicators, literacy levels, sustainable livelihood processes, and population data – below the poverty line and above the poverty line, state of infrastructure, among others.

From the data generated, a 1-year plan and a 5-year rolling plan are developed for the holistic and integrated development of the affected people.

All activities / projects of CSR are assessed under the agreed strategy, and are monitored every quarter / year, measured against targets and budgets. Wherever necessary, midcourse corrections are made.

### **Budgets**

A specific budget is allocated for CSR activities and spending on CSR activities shall not be less than 2% of the average net profits of the Company made during the three immediately preceding financial years, in pursuance of this policy.

In case Company fails to spend such amount, the Board shall specify the reasons for not spending the amount.

Approving authority for the CSR amount to be spent would be any one Director or the Managing Director / Chief Financial Officer of the Company after due recommendation of CSR Committee and approval of the Board of Directors of the Company.

The CSR Policy mandates that the surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of a company.

The CSR projects or programs or activities undertaken in India only shall amount to CSR expenditure.

CSR expenditure shall include all expenditure including contribution to corpus, for projects or programs relating to CSR activities approved by the Board on the recommendation of the CSR Committee but does not include any expenditure on any item not in conformity or not in line with activities which fall within the purview of Schedule VII of the Companies Act 2013.

Tax treatment of CSR spent will be in accordance with the Income Tax Act as may be notified by CBDT.

### **Internal Complaints Committee**

An Internal Complaints Committee is constituted for our Company by the Board to look into the matters concerning sexual harassment pursuant to resolution of the Board of Directors dated September 03, 2024. The Internal Complaints consists of the following members.

<b>Sr. No.</b>	<b>Name</b>	<b>Status in Committee</b>	<b>Gender</b>
1.	Ms. Neelam Bajoria	Presiding Officer	Female
2.	Ms. Shraddha Dhacolia	Member	Female
3.	Mr. Manish Bajoria	Member	Male
4.	Mrs. Ryena Gupta	External NGO Member	Female

A complainant can approach any member of the committee with her written complaint.

### **Tenure**

The President and other members of the committee shall hold office for such period, not exceeding 3 (three) years, from the date of their nomination as may be specified by the employer.

### **Scope**

This policy is applicable to employees, workers, volunteers, probationer and trainees including those on deputation, part time, contract, working as consultants or otherwise (whether in the office premises or outside while on assignment). This policy shall be considered to be a part of the employment contract or terms of engagement of the persons in the above categories.

Where the alleged incident occurs to our employee by a third party while on a duty outside our premises, the Company shall perform all reasonable and necessary steps to support our employee.

### **What Constitutes Sexual Harassment?**

Sexual Harassment means such unwelcome sexually determined behaviour (directly or through implication), like physical contact and advances by the employee(s) including:

- a) A demand or request for sexual favours, sexually coloured remarks, showing pornography, any other unwelcome physical conduct of sexual nature, lurid stares, physical contact or molestation, stalking, sounds, display of pictures, signs;
- b) Eve teasing, innuendos and taunts, physical confinement against one's will;
- c) A demand or request for sexual favours, whether verbally or non-verbally, where the submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment or promotion / evaluation of work thereby denying an individual equal opportunity at employment;
- d) An act or conduct by a person in authority which makes the environment at workplace hostile or intimidating to a person or unreasonably interferes with the individual's privacy and productivity at work;
- e) Verbal harassment of a sexual nature, such as lewd comments, sexual jokes or references, and offensive personal references; demeaning, insulting, intimidating, or sexually suggestive comments (oral or written) about an individual's personal appearance or electronically transmitted messages (Jokes, remarks, letters, phone calls);
- f) Any other behaviour which an individual perceives as having sexual overtones.

### **Redressal Mechanism:**

Once the complaint is received by the Committee:

- a) The person who is accused by the complainant will be informed that a complaint has been filed against him (he will be made aware of the details of the allegation and also the name of the complainant as it would be necessary for proper inquiry) and no unfair acts of retaliation or unethical action will be tolerated.
- b) The complainant has the opportunity to ask for conciliation proceedings by having communication with the accused in the presence of the Committee. Please note that in such conciliation the complainant cannot demand monetary compensation.
- c) The Committee shall provide the copies of the settlement as recorded during conciliation to the aggrieved employee and the respondent.
- d) If the matter has been settled by conciliation but the respondent is not complying with the terms and conditions, the aggrieved party can approach the Committee for Redressal.
- e) The Committee will question both the complainant and the alleged accused separately. If required, the person who has been named as a witness will need to provide the necessary information to assist in resolving the matter satisfactorily.
- f) The Committee shall call upon all witnesses mentioned by both the parties.
- g) The Committee can ask for specific documents from a person if it feels that they are important for the purpose of investigation.
- h) The complainant has the option to seek transfer or leave so that the inquiry process can continue smoothly and to prevent recurrence of similar situations or discomfort to the complainant. The leave can extend for a maximum period of 3 months. Leave granted under this provision will be paid leave and will not be counted in the number of leaves that the complainant is statutorily entitled to. The complainant may be required to work from home, if it is practicable, keeping in mind the nature of work of the complainant, health and mental condition. However, the complainant is under a good faith obligation and shall not abuse the process to request unjustifiably long periods of leave, keeping in mind the economic effects of the leave to the organization. The Committee shall have the discretion to grant leave of an appropriate duration, depending on the facts and circumstances of the case, or grant an alternate measure such as transferring the employee or the accused, as it deems fit.

Where leave is granted to the complainant, the Committee shall make best attempts to ensure speedy completion of the inquiry process and to minimize adverse economic consequences to the Company arising out of the absence of the complainant from the workplace.

- i. The complainant and the accused shall be informed of the outcome of the investigation. The investigation shall be completed within 3 months of the receipt of the complaint. If the investigation reveals that the complainant has been sexually harassed as claimed, the accused will be subjected to disciplinary action accordingly.
  - a) The report of the investigation shall be supplied to the employer (or the District Officer), the accused and the complainant within 10 days of completion of the investigation.
  - b) The employer or the District Officer will act on the recommendations of the Committee within 60 days of the receipt of the report.
- ii. The contents of the complaint made, the identity and addresses of the aggrieved employee, respondent and witnesses, any information relating to conciliation and inquiry proceedings, recommendations of the Internal Committee and the action taken by the employer shall not be published, communicated or made known to the public, press and media in any manner

Any party aggrieved by the report can prefer an appeal in the appropriate Court or Tribunal in accordance with the service rules within 90 days of the recommendation been given to the employer / District Officer.

#### **Disciplinary Action:**

Where any misconduct is found by the Committee, appropriate disciplinary action shall be taken against the accused. Disciplinary action may include transfer, withholding promotion, suspension or even dismissal. This action shall be in addition to any legal recourse sought by the complainant.

If it is found out through evidence by the Committee that the complainant has maliciously given false complaint against the accused, disciplinary action shall be taken against the complainant as well.

Regardless of the outcome of the complaint made in good faith, the employee lodging the complaint and any person providing information or any witness, will be protected from any form of retaliation. While dealing with complaints of sexual harassment, the Committee shall ensure that the complainant or the witness are not victimized or discriminated against by the accused. Any unwarranted pressures, retaliatory or any other type of unethical behaviour by the accused against the complainant while the investigation is in progress should be reported by the complainant to the Complaints Committee as soon as possible. Disciplinary action will be taken by the Committee against any such complaints which are found genuine.

This policy shall be disseminated to each employee of the Company as well as new recruits who will have to acknowledge that they have read and understood the policy and that they shall abide by the policy.

#### **POLICY ON DISCLOSURES AND INTERNAL PROCEDURE FOR PREVENTION OF INSIDER TRADING**

The provisions of Regulation 9(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 (“SEBI PIT Regulations”) will be applicable to our Company immediately upon the listing of its Equity Shares on the Emerge Platform of National Stock Exchange of India Limited (“NSE Emerge”). We shall comply with the requirements of the SEBI (PIT) Regulations on listing of Equity Shares on stock exchanges. Further, Board of Directors have formulated and adopted the code of conduct to regulate, monitor and report trading by its employees and other connected persons.

The Company Secretary & Compliance Officer will be responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the Code of Conduct under the overall supervision of the board.

#### **OUR KEY MANAGERIAL PERSONNEL**

Our Company is managed by our Board of Directors, assisted by qualified and experienced professionals, who are permanent employees of our Company. Given below are the details of the Key Managerial Personnel of our Company as prescribed under the Companies Act, 2013:

<b>Sr. No</b>	<b>Name of the KMPs</b>	<b>Designation</b>
1.	Mr. Manish Bajoria	Managing Director & Chief Financial Officer
2.	Ms. Shraddha Dhacholia	Company Secretary & Compliance Officer

## BREIF PROFILE OF KEY MANAGERIAL PERSONNEL:

### Mr. Manish Bajoria – Managing Director & Chief Financial Officer

Mr. Manish Bajoria is the Managing Director & Chief Financial Officer of our Company. For details, see “*Brief Profile of our Director*”, see “*Our Management*” chapter beginning on page 185 of this Draft Red Herring Prospectus.

<b>Term of Office with expiration Date</b>	Appointed as Managing Director & Chief Financial Officer with effect from June 11, 2024
<b>Details of service contract</b>	Not Applicable
<b>Function and areas of experience</b>	Responsible for complying with Finance & Taxation provisions, regulations, acts applicable to the company.

### Ms. Shraddha Dhacholia – Company Secretary & Compliance Officer

Ms. Shraddha Dhacholia, aged 34 years, is the Company Secretary & Compliance Officer of our Company. She was appointed as the Company Secretary & Compliance Officer of our Company at the meeting of the Board of Directors with effect from September 03, 2024. She has done her Bachelors in Commerce from the University of Calcutta in the year 2011. She is a qualified Company Secretary and a Fellow member of the Institute of Company Secretaries of India since the year 2012.

She was the Practising Company Secretary for Shraddha & Associates from December 2020 to August 2024 and surrendered her COP with effect from August 29, 2024. She is currently responsible for the overall Corporate Governance and Secretarial Compliance of our Company.

<b>Term of Office with expiration Date</b>	Appointed as Company Secretary & Compliance Officer with effect from September 03, 2024.
<b>Details of service contract</b>	Not Applicable
<b>Function and areas of experience</b>	Overall Corporate Governance and Secretarial Compliance of our Company.

## STATUS OF KEY MANAGERIAL PERSONNEL

All our Key Managerial Personnel are permanent employees of our Company.

## RELATIONSHIP BETWEEN KEY MANAGERIAL PERSONNEL

None of the above-mentioned key managerial personnel are related to each other. There are no arrangements or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the Key Managerial Personnel were selected as members of our senior management.

## RELATIONSHIP OF DIRECTORS / PROMOTER WITH KEY MANAGERIAL PERSONNEL (KMPs)

Except as mentioned below, none of our key managerial personnel are related to our Promoter or Directors. There are no arrangements or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the Key Managerial Personnel were selected as members of our senior management.

Sr. No.	Name of the KMP	Name of the Director	Relationship
1.	Mr. Manish Bajoria	Ms. Neelam Bajoria	Spouse
2.	Mr. Manish Bajoria	Mr. Ashish Bajoria	Brother
3.	Ms. Neelam Bajoria	Mr. Ashish Bajoria	Brother in Law

## SHAREHOLDING OF THE KEY MANAGERIAL PERSONNEL

As on date of this Draft Red Herring Prospectus, except as stated below, our Key Managerial Personnel do not hold any number of Equity Shares of our Company

Sr. No.	Name of Key Managerial Personnel	No. of Equity Shares Held (Pre-Offer)	% of pre-Offer capital
1.	Mr. Manish Bajoria	36,95,280	50.95

Sr. No.	Name of Key Managerial Personnel	No. of Equity Shares Held (Pre-Offer)	% of pre-Offer capital
2.	Ms. Shraddha Dhacholia	Nil	Nil
	<b>Total</b>	<b>36,95,280</b>	<b>50.95</b>

#### REMUNERATION / COMPENSATION TO OUR KMPs

Set forth below is the remuneration paid by our Company to our KMPs for the financial year ended March 31, 2024:

(₹ in Lakh)

Sr. No.	Name of KMPs	Designation	Remuneration paid
1.	Mr. Manish Bajoria	Managing Director & Chief Financial Officer *	36.00
2.	Ms. Shraddha Dhacholia	Company Secretary & Compliance Officer**	Nil
	<b>Total</b>		<b>36.00</b>

\*Appointed as Managing Director and Chief Financial Officer of the Company w.e.f. June 11, 2024.

\*\*Appointed as Company Secretary & Compliance Officer w.e.f. September 03, 2024.

The abovementioned KMP's are on the payrolls of our Company as permanent employees.

#### BONUS OR PROFIT-SHARING PLAN FOR OUR KEY MANAGERIAL PERSONNEL

As on the date of this Draft Red Herring Prospectus, our Company does not have any performance linked bonus or profit-sharing plan with any of our Key Managerial Personnel.

#### CONTINGENT AND DEFERRED COMPENSATION PAYABLE TO KEY MANAGERIAL PERSONNEL

None of our Key Managerial Personnel has received or is entitled to any contingent or deferred compensation as on date of this Draft Red Herring Prospectus.

#### LOANS TO KEY MANAGERIAL PERSONNEL

Except as stated in the Draft Red Herring Prospectus, there is no loan outstanding against Key Managerial Personnel as on date of this Draft Red Herring Prospectus.

#### INTEREST OF KEY MANAGERIAL PERSONNEL

The Key Managerial Personnel of our Company have interest in our Company to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business and may also be interested to the extent of Equity Shares held by them in our Company, if any and dividends payable thereon, if any. Except as disclosed in this Draft Red Herring Prospectus, none of our key managerial personnel have been paid any consideration of any nature from our Company, other than their remuneration. Except as stated in the heading titled **“Related Party Transactions”** under the Section titled **“Financial Statements as Restated”** beginning on page 216 of this Draft Red Herring Prospectus and described herein above, our key managerial personnel do not have any other interest in the business of our Company.

#### CHANGES IN KEY MANAGERIAL PERSONNEL IN THE LAST THREE YEARS

Set forth below are the changes in our Key Managerial Personnel in the last 3 (three) years immediately preceding the date of this Draft Red Herring Prospectus:

Sr. No.	Name	Date of Event	Designation	Reason
1.	Mr. Manish Bajoria	June 11, 2024	Change in designation as Managing Director and Chief Financial Officer	Organisational restructuring
2.	Ms. Shraddha Dhacholia	September 03, 2024.	Appointed as Company Secretary and Compliance Officer	To ensure better corporate Governance

#### EMPLOYEES STOCK OPTION SCHEME

Our Company does not have any Employee Stock Option Scheme / Employee Stock Purchase Scheme as on the date of filing of this Draft Red Herring Prospectus.

#### PAYMENT OR BENEFIT TO OFFICERS OF OUR COMPANY

Except as stated in this Draft Red Herring Prospectus and any statutory payments made by our Company, no non-salary amount or benefit has been paid, in two preceding years, or given or is intended to be paid or given to any of our Company's officers except remuneration of services rendered as Directors, officers or employees of our Company.

Except as stated in the chapter titled "***Financial Statements as Restated***" beginning on page 216 of this Draft Red Herring Prospectus, none of the beneficiaries of loans and advances and sundry debtors are related to our Company, our Directors, Our Key Managerial Personnel or our Promoter.

#### **ARRANGEMENTS AND UNDERSTANDING WITH MAJOR SHAREHOLDERS**

None of our Key Managerial Personnel, Senior Managerial Personnel or Directors have been appointed pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others pursuant to which of the directors was selected as a director or member of senior management. For more information, please refer chapter titled "***Our History and Certain Other Corporate Matters***" beginning on page 180 of this Draft Red Herring Prospectus.


## OUR PROMOTERS AND PROMOTER GROUP

### OUR PROMOTERS

The Promoters of our Company are Mr. Manish Bajoria, Ms. Neelam Bajoria, Mr. Ashish Bajoria, M/s. Swabhumi Distributors Private Limited and M/s. Manish Bajoria (HUF).

As on the date of this Draft Red Herring Prospectus, Our Promoters holds an aggregate of 67,71,680 Equity Shares, representing 93.37 % of the Pre-Offer Issued, Subscribed and Paid-up Equity Share Capital of our Company. For details of the build-up of the Promoters' shareholding in our Company, see "*Capital Structure – History of the Equity Share Capital held by our Promoters*", on pages 78 of this Draft Red Herring Prospectus.

### BRIEF PROFILE OF OUR INDIVIDUAL PROMOTER

	<p><b>Mr. Manish Bajoria</b> aged 54 is Director of the Company since Incorporation of the Company and later his designation was changed from Executive Director to Managing Director of the Company for a period of 5 years w.e.f. June 11, 2024, up to June 10, 2029. He is also Chief Financial officer of the company since June 11, 2024. He has a bachelor's degree in commerce from University of Calcutta in the year 1992. He has more than 16 years of experience in the field of Glass fiber Reinforced Polymer and composite product sector. He is a visionary entrepreneur and has played a pivotal role in setting up business of our Company. He primarily looks after the overall business operations of the Company. He is the driving force behind the working of the company and has been the mentor to all the employees. As a leader, he always delivers value to the customers and endeavour in fulfilling / exceeding their expectations and is involved in day-to-day execution of projects. He is responsible for providing strategic advice and guidance to the members of the board, to keep them aware of developments within the industry and ensure that the appropriate policies are developed to meet the company's mission and objectives and to comply with all relevant statutory and other regulations.</p> <p><b>Qualification:</b> Bachelor of Commerce</p> <p><b>Date of Birth:</b> August 24, 1970</p> <p><b>Age:</b> 54 Years</p> <p><b>Residential Address:</b> Tower 1, Flat-25B South City, 375 Prince Anwar Shah Road, Jodhpur Park Kolkata - 700068</p> <p><b>Nationality:</b> Indian</p> <p><b>PAN:</b> ADOPB7568R</p> <p><b>Directorship Held:</b></p> <ul style="list-style-type: none"> <li>• Swabhumi Distributors Private Limited</li> </ul>
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For the complete profile of Mr. Manish Bajoria, - educational qualifications, professional experience, position / posts held in the past, directorships held, special achievements and business and financial activities, see "*Our Management*" on page 185 of this Draft Red Herring Prospectus.



**Ms. Neelam Bajoria**, aged 52 years, is the Promoter and Executive Director of the Company. She has been associated with the company since its incorporation. She holds a bachelor's degree in Arts from the University of Calcutta in the year 1993, and has over 15 years of industry experience in the field of Management and Leadership skills for Glass fiber Reinforced Polymer and composite product sector. As the Operations Head, Ms. Bajoria has consistently demonstrated a strong commitment to fostering a culture of collaboration, accountability and continuous improvement within the team. Her ability to inspire and motivate team members, coupled with her vision, has been instrumental in achieving organisational goals and objectives is truly commendable. In her role as Director of the Company she has been instrumental in driving strategic planning, operational oversight, and business development initiatives. Throughout her tenure, Mrs. Bajoria has maintained the highest level of professionalism, integrity and dedication to their role. She has consistently exhibited strong ethical values, positive attitude and a relentless pursuit of excellence in all endeavours

**Qualification:** Bachelor of Arts

**Date of Birth:** October 03, 1972

**Age:** 51 Years

**Residential Address:** Tower 1, Flat-25B South City, 375 Prince Anwar Shah Road, Jodhpur Park Kolkata – 700068

**Nationality:** Indian

**PAN:** AEAPB6235J

**Directorship Held:**

- Swabhumi Distributors Private Limited

For the complete profile of Ms. Neelam Bajoria, - educational qualifications, professional experience, position / posts held in the past, directorships held, special achievements and business and financial activities, see "**Our Management**" on page 185 of this Draft Red Herring Prospectus.



	<p><b>Mr. Ashish Bajoria</b>, aged 49, is the Non-Executive Director of the Company. He was Appointed as Non-Executive Director of the Company w.e.f. June 11, 2024. He holds Bachelor of Commerce degree from the University of Calcutta, completed in 1996. He has over 10 years of professional experience in the field of Contributing to business development and growth, including a senior role at BG Industries from June, 06 2014 to March, 10 2024. and is recognized for his expertise in strategic planning, crisis management, and operational efficiency. His proven leadership and ability to drive business growth have been instrumental in shaping the company’s strategic vision. He is highly regarded for his analytical, communication, and interpersonal skills, consistently delivering high-quality results making him an asset to the Company.</p> <p><b>Qualification:</b> Bachelor of Commerce</p> <p><b>Date of Birth:</b> April 03, 1975</p> <p><b>Age:</b> 49 Years</p> <p><b>Residential Address:</b> 1/2, Harish Mukherjee Road, Lala Lajpathrai Sarani, L.R, Sarani , Kolkata , West Bengal, 700020</p> <p><b>Nationality:</b> Indian</p> <p><b>PAN:</b> ADOPB5597J</p> <p><b>Directorship Held:</b></p> <p>Nil</p>
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For the complete profile of Mr. Ashish Bajoria, - educational qualifications, professional experience, position / posts held in the past, directorships held, special achievements and business and financial activities, see “**Our Management**” on page 185 of this Draft Red Herring Prospectus.

## DECLARATION

We declare and confirm that the details of the Permanent Account Number, Aadhaar Card Number and Driving License Number, Passport Number and Bank Account Number of our Promoter will be submitted to the Stock Exchange i.e., National Stock Exchange of India Limited, where the Equity Shares are proposed to be listed at the time of filing this Draft Red Herring Prospectus.

## DETAILS OF OUR CORPORATE PROMOTERS

### 1. M/s. Swabhumi Distributors Private Limited

#### Corporate Information

M/s. Swabhumi Distributors Private Limited was incorporated as a private company on May 21, 2010 under the Companies Act, 1956. Its Corporate Identification Number is U51909WB2010PTC148842. The registered office of Swabhumi Distributors Private Limited is situated at Village-Ramdevpur, PO-Bawali Bishnupur2, Parganas South, Bishnupur, West Bengal-743384 India. There have been no changes to the primary business activities undertaken by Swabhumi Distributors Private Limited.

#### Nature of Business

Swabhumi Distributors Private Limited is engage in the business of all kinds of industrial tools, showroom, equipment’s and machineries, rubberised and leather goods, leather garments, iron, stitching wires, textile, yarn, wire, rod, other M. S., G. I., iron materials and every other type of iron & steel material, aluminium, minerals, ferrous and non-ferrous metals, tea, coffee, and other agricultural products, development and purchase of tea estate and tea leaf cultivation, real estate property, offices, space, jute products, packing materials, chemicals, paints, industrial gases, edible and non-edible oils, sea food, wires, netting wires, mustard oil, sugar, marine products, hospital equipment’s, engineering goods and

equipment's, office computer accessories, oil and lubricants, industrial chain, soaps and detergents, cosmetic, jewellery, processed and packed goods and automobile parts, all types of electric and electronics components and all types of readymade garments..

#### ***Shareholding Pattern of Swabhumi Distributors Private Limited***

The following table sets forth the details of the shareholding pattern of the Swabhumi Distributors Private Limited, as on the date of this Draft Red Herring Prospectus:

<b>Sr. No.</b>	<b>Name of Shareholders</b>	<b>Number of Equity Shares</b>	<b>Percentage (%) of shareholding</b>
1	Mr. Manish Bajoria	20,000	28.57
2	Ms. Neelam Bajoria	50,000	71.43
	<b>Total</b>	<b>70,000</b>	<b>100.00</b>

#### ***Promoters of Swabhumi Distributors Private Limited***

The promoters of Swabhumi Distributors Private Limited are Manish Bajoria and Neelam Bajoria

#### ***Board of Directors***

As on the date of this Draft Red Herring Prospectus, the board of directors of Swabhumi Distributors Private Limited comprises of:

<b>Sr. No.</b>	<b>Name of the Directors</b>	<b>Designation</b>
1	Mr. Manish Bajoria	Director
2	Ms. Neelam Bajoria	Director

#### ***Change in control of Swabhumi Distributors Private Limited***

There has been no change in the control of Swabhumi Distributors Private Limited during the last three years preceding the date of this Draft Red Herring Prospectus.

The Company confirms that the details of PAN, bank account number(s), as applicable, corporate registration and the address of the Registrar of Companies where Swabhumi Distributors Private Limited is registered shall be submitted to the Stock Exchanges at the time of filing the Draft Red Herring Prospectus with the Stock Exchanges.

#### **2. M/s. Manish Bajoria (HUF):**

<b>Date of Formation</b>	December 26, 2000
<b>PAN</b>	AAKHM3177J
<b>Registered Address</b>	375, Prince Anwar Shah Road, Tower 1, Flat – 25B, KOL-068
<b>Name of Bank &amp; Bank Account No</b>	Punjab National Bank-3181000100085175
<b>Details of Members</b>	Mr. Manish Bajoria – Karta Ms. Neelam Bajoria - (Co-Parcener) Mr. Aman Bajoria - (Co-Parcener)

#### **DECLARATION**

We declare and confirm that the details of the Permanent Account Number, Bank Account Numbers, the Company Registration Numbers and the Addresses of the Registrars of Companies where the companies are registered have been submitted to the stock exchanges i.e., National Stock Exchange of India Limited, where the Equity Shares are proposed to be listed at the time of filing this Draft Red Herring Prospectus.

#### **UNDERTAKING / CONFIRMATIONS**

None of our Promoter or Promoter Group or Group Company or person in control of our Company has been:

- Prohibited or debarred from accessing or operating in the capital market or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other authority or
- Refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad.

- No material regulatory or disciplinary action is taken by any by a stock exchange or regulatory authority in the past one year in respect of our Promoters, Group Company and Company promoted by the promoters of our company.
- There are no defaults in respect of payment of interest and principal to the debenture / bond / fixed deposit holders, banks, FIs by our Company, our Promoters, Group Company and Company promoted by the promoters during the past three years.
- The litigation record, the nature of litigation, and status of litigation of our Company, Promoters, Group company and Company promoted by the Promoters are disclosed in chapter titled “*Outstanding Litigations and Material Developments*” beginning on page 234 of this Draft Red Herring Prospectus.
- None of our Promoter person in control of our Company are or have ever been a promoters, director or person in control of any other company which is debarred from accessing the capital markets under any order or direction passed by the SEBI or any other authority.

## CHANGE IN CONTROL OF OUR COMPANY

There has not been any change in the control of our Company since incorporation.

## EXPERIENCE OF OUR PROMOTERS IN THE BUSINESS OF OUR COMPANY

For details in relation to experience of our Promoters in the business of our Company, please refer the chapter “*Our Management*” beginning on page 185 of this Draft Red Herring Prospectus.

## INTEREST OF OUR PROMOTER

Our Promoters are interested in our Company to the extent (i) that they have promoted our Company, and (ii) to the extent of their shareholding in our Company. For details on shareholding of our Promoters in our Company, see “*Capital Structure*” on page 78 of this Draft Red Herring Prospectus.

Except as stated otherwise in this Draft Red Herring Prospectus, we have not entered into any contract, agreements or arrangements in which our Promoters are directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them including the properties purchased by our Company and development rights entered into by our Company other than in the normal course of business. For further details, please refer the section titled “*Related Party Transactions*” in chapter “*Financial Statements as Restated*” on page 216 of this Draft Red Herring Prospectus.

### *Interest in promotion of our Company*

Our Company is currently promoted by the Promoters in order to carry on its present business. Our Promoters are interested in our Company to the extent of their shareholding and directorship in our Company and the dividend declared, if any, by our Company.

### *Interest in the property, land, construction of building, supply of machinery, etc.*

Except as mentioned in the chapter titled ‘*Our Business*’ beginning on page 138 of this Draft Red Herring Prospectus, our Promoters do not have any other interest in any property acquired or proposed to be acquired by our Company in a period of 2 (two) years before filing of this Draft Red Herring Prospectus or in any transaction by our Company for acquisition of land, construction of building or supply of machinery or any other contract, agreement or arrangement entered into by our Company and no payments have been made or are proposed to be made in respect of these contracts, agreements or arrangements.

### *Interest in our Company arising out of being a member of a firm or company*

Our Promoters are not interested as member of a firm or company, and no sum has been paid or agreed to be paid to them or to such firm or company in cash or shares or otherwise by any person either to induce such person to become, or qualify them as a director, or otherwise for services rendered by them or by such firm or company in connection with the promotion or formation of our Company.

### *Interest in our Company other than as Promoter*

Except as mentioned in this chapter and chapters titled “*Our Business*”, “*History and Certain Corporate Matters*”, “*Our Management*” and “*Restated Financial Statements*” beginning on pages 138, 180, 185 and 216, respectively, our Promoters do not have any other interest in our Company.

#### ***Payment or Benefit to the Promoters or Promoter Group in the last 2 (two) years***

Except as stated above in chapters “*Financial Statements as Restated*” beginning on page 216 of this Draft Red Herring Prospectus, there has been no amount or benefit paid or given during the preceding 2 (two) years of filing of this Draft Red Herring Prospectus or intended to be paid or given to any Promoters or member of our Promoter Group and no consideration for payment of giving of the benefit.

#### **COMMON PURSUITS OF OUR PROMOTER**

Except as disclosed below, our Promoters is not involved with any ventures which are in the same line of activity or business as that of our Company.

<b>Sr. No</b>	<b>Name of Director</b>	<b>Name of Entity</b>
1.	Mr. Manish Bajoria	Swabhumi Distributors Private Limited
2.	Ms. Neelam Bajoria	Swabhumi Distributors Private Limited

#### **MATERIAL GUARANTEES GIVEN TO THIRD PARTIES**

Except as stated in the “*Financial Statements as Restated*” beginning on page 216 of this Draft Red Herring Prospectus, our Promoters have not given material guarantees to the third party(ies) with respect to the specified securities of our Company.

#### **EXPERIENCE OF PROMOTERS IN THE LINE OF BUSINESS**

Our Promoters are Mr. Manish Bajoria and Ms. Neelam Bajoria and have an experience of around 16 years respectively in the Glass Fiber Reinforced Polymer Manufacturing Industry. The Company shall also endeavour to ensure that relevant professional help is sought as and when required in the future.

#### **SHAREHOLDING OF THE PROMOTER GROUP IN OUR COMPANY**

For details of shareholding of members of our Promoter Group as on the date of this Draft Red Herring Prospectus, please see the chapter titled “*Capital Structure – Notes to Capital Structure*” beginning on page 78 of this Draft Red Herring Prospectus.

#### **LITIGATION INVOLVING OUR PROMOTER**

For details relating to legal proceedings involving the Promoters, please refer “*Outstanding Litigation and Material Developments*” beginning on page 234 of this Draft Red Herring Prospectus.

#### **RELATED PARTY TRANSACTIONS**

Except as stated in “*Annexure XXX – Related Party Transactions*” beginning on page 215 of this Draft Red Herring Prospectus, and as stated therein, our Promoters or any of the Promoter Group Entities do not have any other interest in our business.

#### **COMPANIES WITH WHICH OUR PROMOTERS HAVE DISASSOCIATED IN THE PRECEDING THREE YEARS**

Our Promoters have not disassociated themselves from any companies, firms or entities during the last three years preceding the date of this Draft Red Herring Prospectus.

#### **OUR PROMOTER GROUP**

**Our Promoter Group in terms of Regulation 2(1) (pp) of the SEBI (ICDR) Regulations, 2018 is as under:**

##### **A. Natural Persons who form part of our Promoter Group:**

<b>Promoter</b>	<b>Mr. Manish Bajoria</b>	<b>Ms. Neelam Bajoria</b>	<b>Mr. Ashish Bajoria</b>
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Relation with Promoter			
<b>Father</b>	Late Gopal Bajoria	Late Matadin Gokulka	Late Gopal Bajoria
<b>Mother</b>	Premlata Bajoria	Late Savitri Devi Gokulka	Prem Lata Bajoria
<b>Spouse</b>	Neelam Bajoria	Manish Bajoria	Rashmee Bajoria
<b>Brother(s)</b>	Ashish Bajoria	Santosh Gokulka	Manish Bajoria
<b>Sister(s)</b>	Ritu Tibrewal	Meenu Agarwal	Ritu Tibrewal
<b>Son(s)</b>	Aman Bajoria	Aman Bajoria	-
<b>Daughter(s)</b>	-	-	Simaaya Bajoria Manya Bajoria
<b>Spouse's Father</b>	Late Matadin Gokulka	Late Gopal Bajoria	Radhey Shyam Agarwal
<b>Spouse's Mother</b>	Late Savitri Devi Gokulka	Premlata Bajoria	Prabha Agarwal
<b>Spouse's Brother(s)</b>	Santosh Gokulka	Ashish Bajoria	Vikash Agarwal
<b>Spouse's Sister(s)</b>	Meenu Agarwal	Ritu Tibrewal	-

**B. Entities forming part of the Promoter Group:**

**1. In case promoter is a Body Corporate**

Sr. No.	Nature of Relationship	Name of the Promoter Entities / Company
		<b>Swabhumi Distributors Private Limited</b>
1.	Subsidiary or holding company of Promoter Company	N.A.
2.	Any Body corporate in which promoter (Body Corporate) holds 20% or more of the equity share capital or which holds 20% or more of the equity share capital of the promoter (Body Corporate).	N.A.

**2. In case promoter is an Individual:**

Sr. No.	Nature of Relationship	Entity
1.	Any Body Corporate in which 20% or more of the equity share capital is held by promoter or an immediate relative of the promoter or a firm or HUF in which promoter or any one or more of his immediate relatives is a member.	Swabhumi Distributors Private Limited
2.	Any Body corporate in which Body Corporate as provided above holds 20% or more of the equity share capital.	N.A.
3.	Any Hindu Undivided Family or firm in which the aggregate shareholding of the promoter and his immediate relatives is equal to or more than 20%.	Manish Bajoria HUF

**C. All persons whose shareholding is aggregated under the heading "shareholding of the Promoter Group":**

None of other persons forms part of promoter group for the purpose of shareholding of the Promoter Group under Regulation 2(1)(pp)(v) of SEBI (ICDR) Regulations 2018.- **NIL**

## **OUR GROUP COMPANIES**

In accordance with the provisions of the SEBI (ICDR) Regulations, 2018, for the purpose of identification of Group Company, our Company has considered those companies as our Group Company (other than promoter(s) and subsidiary / subsidiaries) with which there were related party transactions as per the Restated Financial Statements of our Company in any of the last three financial years and other Company as considered material by our Board.

Further, pursuant to a resolution of our Board dated September 03, 2024 for the purpose of disclosure in relation to Group company in connection with the Issue, a company shall be considered material and disclosed as a Group company if such company fulfils both the below mentioned conditions:

- a) the companies with which there were related party transactions (in accordance with AS-18), as disclosed in the Restated Financial Statements (“Restated Financial Statements”); or
- b) if such company fulfils both the below mentioned conditions: -
  - i. such company that forms part of the Promoter Group of the Company in terms of Regulation 2(1) (pp) of the SEBI(ICDR) Regulations; and
  - ii. the Company has entered into one or more transactions with such company in preceding fiscal or audit period as the case may be exceeding 10.00% of total revenue of the Company as per Restated Financial Statements.

Accordingly, based on the parameters outlined above, as on the date of this Draft Red Herring Prospectus, there is no company / entity falling under definition of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 which is to be identified as group company / entity (“Group Company”).

## **DIVIDEND POLICY**

Under the Companies Act, 2013, an Indian Company pays dividends upon a recommendation by its Board of Directors and approval by majority of the Shareholders at the general meeting. Under the Companies Act, 2013, dividends may be paid out of profits of a company in the year in which the dividend is declared or out of the undistributed profits or reserves of the previous years or out of both.

The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends. No dividend shall be payable for any financial year except out of profits of our Company for that year or that of any previous financial year or years, which shall be arrived at after providing for depreciation in accordance with the provisions of Companies Act, 2013.

Our Company does not have a formal dividend policy for declaration of dividend in respect of Equity shares. Any dividends to be declared shall be recommended by the Board of Directors depending upon the financial condition, results of operations, capital requirements and surplus, contractual obligations and restrictions, the terms of the credit facilities and other financing arrangements of our Company at the time a dividend is considered, and other relevant factors and approved by the Equity Shareholders at their discretion.

Our Company has not paid / declared any dividend in last three years from date of this Draft Red Herring Prospectus. Our Company's corporate actions pertaining to payment of dividends in the past are not to be taken as being indicative of the payment of dividends by our Company in the future.

## RELATED PARTY TRANSACTIONS

For details on Related Party Transactions of our Company, please refer to *Annexure XXX* of section titled “*Financial Statements as Restated*” beginning on page 216 of this Draft Red Herring Prospectus.



**SECTION IX: FINANCIAL INFORMATION****FINANCIAL STATEMENTS AS RESTATED**

<b>Sr. No.</b>	<b>Particulars</b>	<b>Page no.</b>
1	Restated Financial Statements	F-1 to F-34

**ARC INSULATION AND INSULATORS LIMITED**  
(Formerly Known as ARC INSULATION AND INULATORS PRIVATE LIMITED)  
CIN : U18109WB2008PLC129263

Annexure- I

**RESTATED STATEMENT OF ASSETS & LIABILITIES**

Amount (Rs. In Lakhs, unless otherwise stated)

Sr.No	Particulars	Note No.	As at 31.10.2024	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
<b>I</b>	<b><u>EQUITY AND LIABILITIES</u></b>					
<b>1</b>	<b>Shareholders Funds</b>					
	(a) Share Capital	2	725.24	171.30	171.30	171.30
	(b) Reserves & Surplus	3	1,400.26	1,073.98	463.58	199.77
<b>2</b>	<b>Non-current liabilities</b>					
	(a) Long-Term Borrowings	4	126.55	156.14	290.01	225.31
	(b) Long-Term Provisions	5	20.01	20.45	16.22	12.46
	(c) Deferred Tax Liabilities (net)	12	-	-	-	-
<b>3</b>	<b>Current Liabilities</b>					
	(a) Short-Term Borrowings	6	47.44	76.62	245.83	183.86
	(b) Trade Payables:	7				
	(A) total outstanding dues of micro, small and medium enterprises; and		-	-	-	-
	(B) total outstanding dues of creditors other than micro, small and medium enterprises		641.86	477.31	331.58	329.10
	(c) Other Current Liabilities	8	88.42	60.23	225.50	95.72
	(d) Short-Term Provisions	9	113.03	159.51	83.27	4.31
	<b>TOTAL</b>		<b>3,162.80</b>	<b>2,195.53</b>	<b>1,827.28</b>	<b>1,221.84</b>
<b>II</b>	<b><u>ASSETS</u></b>					
<b>1</b>	<b>Non Current Assets</b>					
	(a) Property, Plant & Equipment & Intangible Assets	10				
	(i) Property, Plant and Equipment		682.88	646.81	532.65	457.59
	(ii) Intangible Assets		-	-	-	-
	(b) Non Current Investments	11	239.28	89.17	68.98	31.83
	(c) Deferred Tax Assets (net)	12	8.46	16.07	14.51	13.66
	(d) Other Non-Current Assets	13	354.85	338.04	17.45	30.89
<b>2</b>	<b>Current Assets</b>					
	(a) Inventories	14	607.66	558.62	430.52	328.60
	(b) Trade Receivables	15	1,095.41	446.75	651.88	212.13
	(c) Cash and Cash Equivalents	16	64.00	37.09	4.65	7.34
	(d) Short-Term Loans and Advances	17	108.73	48.22	96.17	112.33
	(e) Other Current Assets	18	1.54	14.76	10.47	27.45
	<b>TOTAL</b>		<b>3,162.80</b>	<b>2,195.53</b>	<b>1,827.28</b>	<b>1,221.84</b>

The accompanying notes 1.1 - 1.20 are integral part of financial statements  
As per our report of even date

For, Jay Gupta & Associates  
(Formaly Known as Gupta Agarwal & Associates)  
Chartered Accountants  
FRN: 329001E

For & on the behalf of Directors  
Arc Insulation And Insulators Limited

Sd/-  
Manish Bajoria  
Managing Director/ CFO  
DIN: 02203237

Sd/-  
Neelam Bajoria  
Director  
DIN: 02250051

Sd/-  
Jay Shanker Gupta  
(Partner)  
Membership No. 059535  
UDIN: 25059535BMHBPW3076  
Place : Kolkata  
Date: January 07, 2025

Sd/-  
Ashish Kumar Bajoria  
Director  
DIN: 10662463  
Place : Kolkata  
Date: January 07, 2025

Sd/-  
Shraddha Dhacholia  
Company Secretary

**ARC INSULATION AND INSULATORS LIMITED**  
(Formerly Known as ARC INSULATION AND INULATORS PRIVATE LIMITED)  
CIN : U18109WB2008PLC129263

Annexure- II

**RESTATED STATEMENT OF PROFIT & LOSS**

Amount (Rs. In Lakhs, unless otherwise stated)

Particulars	Note No.	For the period from 01-04-2024 to 31-10-2024	For the year ended 31.03.2024	For the year ended 31.03.2023	For the year ended 31.03.2022
I. Revenue from Operations	19	1,887.32	2,845.47	2,398.25	1,154.17
II. Other Income	20	7.86	37.90	49.76	18.39
<b>III. Total Income (I + II)</b>		<b>1,895.19</b>	<b>2,883.37</b>	<b>2,448.01</b>	<b>1,172.56</b>
IV. Expenses:					
Cost of Material Consumed	21	982.31	1,618.87	1,515.04	881.25
Changes in Inventories of Finished goods	22	(5.46)	(148.38)	53.98	(36.71)
Employee Benefits Expense	23	81.03	107.87	98.39	84.02
Finance Costs	24	24.33	41.21	53.64	44.20
Depreciation and Amortisation Expense	25	55.08	86.07	72.37	59.26
Other Expenses	26	85.13	361.87	301.91	101.08
<b>IV. Total Expenses</b>		<b>1,222.43</b>	<b>2,067.52</b>	<b>2,095.34</b>	<b>1,133.10</b>
<b>V. Profit before exceptional and extraordinary items and tax (III - IV)</b>		<b>672.76</b>	<b>815.85</b>	<b>352.68</b>	<b>39.46</b>
VI. Exceptional items & Extraordinary Items					
-Prior Period Items (Gratuity expenses for earlier years)		-	-	-	10.80
<b>VII. Profit before tax (V- VI)</b>		<b>672.76</b>	<b>815.85</b>	<b>352.68</b>	<b>28.67</b>
VIII. Tax expense:					
Current Tax		161.94	207.01	89.72	11.43
Deferred Tax		7.61	(1.56)	(0.85)	(6.61)
Total Tax Expense		169.55	205.45	88.87	4.82
<b>IX . Profit (Loss) for the period (VII-VIII)</b>		<b>503.21</b>	<b>610.40</b>	<b>263.81</b>	<b>23.85</b>
X. Earnings per equity share: (Amount in Rs.)					
(1) Basic & Diluted		7.28	8.91	3.85	0.51
(2) Diluted		7.28	8.91	3.85	0.51

The accompanying notes 1.1 - 1.20 are integral part of financial statements  
As per our report of even date

For & on the behalf of Directors  
Arc Insulation And Insulators Limited

For, Jay Gupta & Associates  
(Formaly Known as Gupta Agarwal & Associates)  
Chartered Accountants  
FRN: 329001E

Sd/-  
Manish Bajoria  
Managing Director/ CFO  
DIN: 02203237

Sd/-  
Neelam Bajoria  
Director  
DIN: 02250051

Sd/-  
Jay Shanker Gupta  
(Partner)  
Membership No. 059535  
UDIN: 25059535BMHBPW3076  
Place : Kolkata  
Date: January 07, 2025

Sd/-  
Ashish Kumar Bajoria  
Director  
DIN: 10662463  
Place : Kolkata  
Date: January 07, 2025

Sd/-  
Shraddha Dhacholia  
Company Secretary

**ARC INSULATION AND INSULATORS LIMITED**  
**(Formerly Known as ARC INSULATION AND INSULATORS PRIVATE LIMITED)**  
**CIN : U18109WB2008PLC129263**

**Annexure- III**

**RESTATED CASH FLOW STATEMENT**

Amount (Rs. In Lakhs, unless otherwise stated)

PARTICULARS	For the period from 01-04-2024 to 31-10- 2024	For the year ended 31.03.2024	For the year ended 31.03.2023	For the year ended 31.03.2022
<b>A CASH FLOW FROM OPERATING ACTIVITIES:</b>				
Net Profit before tax	672.76	815.85	352.68	28.67
Depreciation & Amortisation	55.08	86.07	72.37	59.26
Interest Paid	24.33	41.21	53.64	44.20
Interest Income	(4.76)	(4.69)	(2.28)	(1.43)
Changes in long term provision of employee benefit	-0.44	4.23	3.75	12.46
Prior Period Items	-	-	-	-
<b>Operating Profit before Working Capital Changes</b>	<b>746.97</b>	<b>942.67</b>	<b>480.12</b>	<b>143.16</b>
<b>Adjusted for:</b>				
Inventories	(49.04)	(128.11)	(101.92)	(36.19)
Trade receivables	(648.66)	205.13	(439.75)	(12.68)
Short Term Loans & Advances	(60.51)	47.94	16.17	19.20
Other Current Assets	13.22	(4.29)	16.98	(22.91)
Trade Payable	164.55	145.73	2.48	165.76
Other Current Liabilities	28.19	(165.27)	129.78	39.04
Short term provision	(46.48)	76.24	78.96	(35.00)
	<b>(598.73)</b>	<b>177.38</b>	<b>(297.30)</b>	<b>117.22</b>
Cash generated/(used) From Operations	<b>148.24</b>	<b>1,120.06</b>	<b>182.82</b>	<b>260.38</b>
Income Tax Paid	184.59	207.01	89.72	16.44
<b>Net Cash generated/(used in) from Operating Activities (A)</b>	<b>(36.34)</b>	<b>913.05</b>	<b>93.11</b>	<b>243.94</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES:</b>				
Proceeds from Long term Loans & Advances	-	-	-	-
Increase/(Decrease) in Non-Current Investments	(150.11)	(20.19)	(37.15)	(6.46)
Purchase of plant & equipment	(91.15)	(200.23)	(147.44)	(89.54)
Interest Income	4.76	4.69	2.28	1.43
Sale of Fixed assets	-	-	-	(0.00)
(Increase)/Decrease in Non-Current Assets	(16.81)	(320.58)	13.44	(30.89)
<b>Net Cash used in Investing Activities (B)</b>	<b>(253.31)</b>	<b>(536.32)</b>	<b>(168.82)</b>	<b>(125.46)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES:</b>				
Increase in share capital	420.32	-	-	-
Net Proceeds/(Repayment) from long term borrowing	(29.59)	(133.87)	64.69	(77.18)
Net Proceeds/(Repayment) of short term borrowing	(29.18)	(169.21)	61.97	3.56
Issue related expenses	(20.66)	-	-	-
Finance Cost	(24.33)	(41.21)	(53.64)	(44.20)
<b>Net Cash used in Financing Activities (C)</b>	<b>316.56</b>	<b>(344.29)</b>	<b>73.02</b>	<b>(117.83)</b>
Net Increase/(Decrease) in Cash and Cash Equivalents	26.91	32.44	(2.69)	0.65
Cash and Cash Equivalents at the beginning of the year	37.09	4.65	7.34	6.69
Cash and Cash Equivalents at the end of the year	<b>64.00</b>	<b>37.09</b>	<b>4.65</b>	<b>7.34</b>

Note :-

1. Components of Cash & Cash Equivalent

Amount (Rs. In Lakhs, unless otherwise stated)

Particulars	For the period from 01-04-2024 to 31-10- 2024	For the year ended 31.03.2024	For the year ended 31.03.2023	For the year ended 31.03.2022
a. Balances with banks	12.04	2.10	2.10	0.51
b. Balance in CC Account	17.35	13.79	-	-
c. FD with banks	-	-	-	-
d. Cash in hand	34.61	21.20	2.54	6.83
<b>Total</b>	<b>64.00</b>	<b>37.09</b>	<b>4.65</b>	<b>7.34</b>

2. The above cash flow statement has been prepared under the indirect method set out in AS-3 issued by the Institute of Chartered Accountants of India.

3. Figures in Brackets represents outflow.

The accompanying notes 1.1 - 1.20 are integral part of financial statements

As per our report of even date

For & on the behalf of Directors  
Arc Insulation And Insulators Limited

For, Jay Gupta & Associates  
(Formerly Known as Gupta Agarwal & Associates)  
Chartered Accountants  
FRN: 329001E

Sd/-  
Manish Bajoria  
Managing Director/ CFO  
DIN: 02203237

Sd/-  
Neelam Bajoria  
Director  
DIN: 02250051

Sd/-  
Jay Shanker Gupta  
(Partner)  
Membership No. 059535  
UDIN: 25059535BMHBPW3076  
Place : Kolkata  
Date: January 07, 2025

Sd/-  
Ashish Kumar Bajoria  
Director  
DIN: 10662463  
Place : Kolkata  
Date: January 07, 2025

Sd/-  
Shraddha Dhacholia  
Company Secretary

**CORPORATE INFORMATION**

Our Company was originally incorporated on September 10, 2008, as a Private Limited Company in the name of “ARC Insulation & Insulators Private Limited” under the provisions of the Companies Act, 1956 bearing Corporate Identification Number U18109WB2008PTC129263 issued by the Deputy Registrar of Companies, West Bengal. Subsequently, pursuant to a Special Resolution of our Shareholders passed in the Extra-Ordinary General Meeting held on June 11, 2024, our Company was converted from a Private Limited Company to Public Limited Company and consequently, the name of our Company was changed to ‘ARC Insulation & Insulators Limited’ and a Fresh Certificate of Incorporation consequent to Conversion was issued on August 5, 2024 bearing Corporate Identification Number U18109WB2008PLC129263 issued by the Registrar of Companies, Central Processing Centre.

The company is engaged in manufacturing and supply of Fiber Reinforced Polymers / Glass Fiber Reinforced Polymers (“FRP/GFRP”) composite/constituency products. Our offerings include FRP/GFRP Rebars, FRP/GFRP Granting Walkways, FRP/GFRP Pipelines, FRP/GFRP Tubes, FRP/GFRP Fencing for Transformers, FRP/GFRP Cable Trays, and other related products designed for industrial, energy and marine’s sectors. In addition to our core business, the company acquired the ongoing business of our promoter, ‘M/s ARC Insulation & Insulators,’ a sole proprietorship, through a business transfer agreement dated June 01, 2009. Under our brand name “ARC”, we supply our products for application in diverse industries including Infrastructure, Power, Cooling Tower, Chemical, Composite, Electrical Substation, Metal & Mining.

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES**

**1.1 Basis of preparation of financial statements**

(a) The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the provisions of the Companies Act, 2013 and the Companies (Accounting Standards) Rules 2014, as prescribed. The financial statements have been prepared under the historical cost convention on accrual basis.

(b) The preparation of the financial statements requires management to make estimates and assumption that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

The Restated Financial Information of ARC INSULATION AND INSULATORS LIMITED (formerly Known as ARC INSULATION AND INSULATORS PRIVATE LIMITED) comprise of Restated Statement of Assets and Liabilities as at for the Period ended 31st October, 2024 and for the year ended 31 March, 2024, 31 March, 2023 and 31 March, 2022, the Restated Statement of Profit and Loss, Restated Cash Flow Statement, Significant Accounting Policies to the Restated Financial Information and Notes to the Restated Financial Information. These Restated Financial Information have been prepared by the management of the company for the proposed inclusion in the Draft Red Herring Prospectus (DRHP) prepared by the Company in connection with its proposed Initial Public Offer (“IPO”) in terms of the requirements of

1) Section 26 and 28 of Part I of Chapter III of the companies Act, 2013 (“the act”);

2) The securities and Exchange Board India (issue of Capital and Disclose Requirements) Regulations, 2018, as amended (“ICDR Regulations”)

3) The Guidance Note on Reports in company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India

These Restated Financial Information have been compiled by the Company's management from Audited Financial Statements of the company as at for the period ended 31st October 2024 and for the years ended 31st March, 2024, 31st March, 2023 and 31st March, 2022 prepared in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act.

These Restated Financial Information have been approved by the Board of Directors of the Company on January 07, 2025.

(c) The preparation of the financial statements requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between the actual results and estimates are recognized in the period in which the results are known / materialize.

**1.2 Revenue Recognition**

(a) The company generally follows the mercantile system of accounting and recognizes Income & Expenditure on accrual basis.

(b) Revenue is recognised to the extent that it is possible that, the economic benefits will flow to the company and the revenue can be reliably estimated and collectability is reasonably assured.

(c) Revenue from sale of goods & services are recognised when service is fully provided to our customer and when there are no longer any unfulfilled obligations. The performance obligations in our contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms.

(d) Revenue is measured on the basis of sale price, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the Government such as goods and service tax etc. Accumulated experience is used to estimate the provision for such discounts and rebates. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur.

(e) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

**1.3 Property, Plant & Equipment and Intangible Assets & Depreciation**

(a) Property, Plant and Equipment is stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. Cost of acquisition or construction of property, plant and equipment comprises its purchase price including import duties and non-refundable purchase taxes after deducting trade discounts, rebates and any directly attributable cost of bringing the item to its working condition for its intended use.

(b) Subsequent costs are included in the assets' carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintained cost are charged to the statement of profit and loss during the period in which they are incurred.

(c) Gains or losses that arise on disposal or retirement of an asset are measured as the difference between net disposal proceeds and the carrying value of property, plant and equipment and are recognised in the statement of profit and loss when the same is derecognised.

(d) Depreciation is calculated on pro rata basis on Written down value method (WDV) based on estimated useful Life as prescribed under Part C of Schedule - II of the Companies Act, 2013. Freehold land is not depreciated.

(e) Intangible asset purchased are initially measured at cost. The cost of an intangible assets comprises its purchase price including duties and taxes and any costs directly attributable to making the assets ready for their intended use. The useful lives of intangible assets are assessed as either finite or indefinite. Finite-life intangible assets are amortised on a written down value basis over the period of their estimated useful lives.

**1.4 Impairment of Assets**

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of the asset's net selling price and value in use, which is determined by the present value of the estimated future cash flows.

**1.5 Investments**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as non-current investments.

Current investments or Long-term investments are carried at cost. However, provision for diminutions in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

**1.6 Inventories**

The inventories are maintained as cost or NRV whichever is lower.

**1.7 Employee Benefits**

Retirement benefit in the form of provident fund is a defined contribution scheme. The contribution to the provident fund is charged to the statement of profit and loss for the year when an employee renders the related services.

Provision for Gratuity has been considered as per Actuarial valuation report.

Leave encashment to the employees are accounted for as & when the same is claimed by eligible employees.

**1.8 Borrowing Costs**

(a) Borrowing costs that are directly attributable to the acquisition of qualifying assets are capitalized for the period until the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes substantial period of time to get ready for its intended use.

(b) Other Borrowing costs are recognized as expense in the period in which they are incurred.

**1.9 Taxes on Income**

Tax expense comprises of current tax and deferred tax.

Current income tax is measured at the amount expected to be paid to the tax authorities, computed in accordance with the applicable tax rates and tax laws.

Deferred Tax arising on account of "timing differences" and which are capable of reversal in one or more subsequent periods is recognized, using the tax rates and tax laws that are enacted or substantively enacted. Deferred tax asset is recognized only to the extent there is reasonable certainty with respect to reversal of the same in future years as a matter of prudence.

**1.10 Earnings per Share (EPS)**

(a) Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

(b) For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**1.11 Prior Period Items**

Prior Period and Extraordinary items and Changes in Accounting Policies having material impact on the financial affairs of the Company are disclosed in financial statements if any.

**1.12 Provisions / Contingencies**

(a) Provision involving substantial degree of estimation in measurements is recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

(b) Contingent Liabilities are shown by way of notes to the Accounts in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered not probable.

(c) A Contingent Asset is not recognized in the Accounts.

**1.13 Segment Reporting**

**A. Business Segments:**

Based on the guiding principles given in Accounting Standard 17 (AS - 17) on Segment Reporting issued by ICAI, the Company has only one reportable Business Segment which is engaged in business of manufacturing and supply of Glass Fibre Reinforced Polymers ("GFRP") composite/constituency products. Accordingly, the figures appearing in these financial statements relate to the Company's single Business Segment.

**B. Geographical Segments:**

The Company activities / operations are confined to India and as such there is only one geographical segment. Accordingly, the figures appearing in these financial statements relate to the Company's single geographical segment.

**ARC INSULATION AND INSULATORS LIMITED**  
**(Formerly Known as ARC INSULATION AND INULATORS PRIVATE LIMITED)**  
**CIN : U18109WB2008PLC129263**

**1.14 Foreign Currency Transactions**

Foreign exchange transactions are recorded at the rate prevailing on the date of respective transaction. Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date. Non monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of transaction. Exchange differences arising on foreign exchange transactions settled during the year and on restatement as at the balance sheet date are recognized in the statement of profit and loss for the year.

**1.15 Balance Confirmations**

Balance of Debtors & Creditors & Loans & advances Taken & giving are subject to confirmation and subject to consequential adjustments, if any. Debtors & creditors balance has been shown separately and the advances received and paid from/to the parties is shown as advance from customer and advance to suppliers.

**1.16 Regrouping**

Previous years figures have been regrouped and reclassified wherever necessary to match with current year grouping and classification.

**1.17 Government Grants**

Government Grants are recognised where there is reasonable assurance that the company has complied with the conditions attached to them and that the grant will be received. Revenue grants are recognised in the statement of Profit and Loss and are shown under Other Income. Capital grants are recognised in Reserves in case the same is for a project as a whole. If these are for a specific asset, then the same is reduced from the cost of the concerned asset for which it is received.



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**ANNEXURE TO NOTE: 1.7**

**EMPLOYEE BENEFITS**

**I. Defined contribution plans**

The Company has classified the various benefits provided to employees as under:

- a. Employee State Insurance Fund
- b. Employee Provident Fund

The expense recognised during the period towards defined contribution plan -

(Amount in Lakhs, Unless Otherwise Stated)

Particulars	From 01-04-2024 to 31-10-2024	For the period ended 31.03.2024	For the year ended 31.03.2023	For the year ended 31.03.2022
Employers Contribution to Employee Provident Fund and Employee State Insurance	3.50	3.88	2.33	1.95

**II. Defined benefit plans**

Gratuity

The Company should provide for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service, subject to a payment ceiling of INR 20,00,000/-.

Based on the actuarial valuation obtained in this respect, the following table sets out the details of the employee benefit obligation as at balance sheet date:

(Amount in Lakhs, Unless Otherwise Stated)

Defined benefit plans	From 01-04- 2024 to 31-10- 2024	For the period ended 31.03.2024	For the year ended 31.03.2023	For the year ended 31.03.2022
	Gratuity (Unfunded)	Gratuity (Unfunded)	Gratuity (Unfunded)	Gratuity (Unfunded)
<b>I Expenses recognised in statement of profit and loss during the year:</b>				
Current service cost	2.61	3.57	3.37	2.74
Past service cost	-	-	-	-
Expected return on plan assets	-	-	-	-
Net interest cost / (income) on the net defined benefit liability / (asset)	0.86	1.46	1.19	1.96
Immediate Recognition of (Gain)/Losses	(4.38)	(0.43)	(0.62)	(27.80)
Loss (gain) on curtailments				
<b>Total expenses included in Employee benefit expenses</b>	<b>(0.92)</b>	<b>4.61</b>	<b>3.93</b>	<b>(23.10)</b>
<b>Discount Rate as per para 78 of AS 15 R (2005)</b>	<b>6.80%</b>	<b>6.97%</b>	<b>7.20%</b>	<b>7.32%</b>
<b>II Net asset /(liability) recognised as at balance sheet date:</b>				
Present value of defined benefit obligation	21.30	22.22	17.61	13.67
Fair value of plan assets	-	-	-	-
<b>Funded status [surplus/(deficit)]</b>	<b>(21.30)</b>	<b>(22.22)</b>	<b>(17.61)</b>	<b>(13.67)</b>
<b>III Movements in present value of defined benefit obligation</b>				
Present value of defined benefit obligation at the beginning of the year	22.22	17.61	13.67	36.78
Current service cost	2.61	3.57	3.37	2.74
Past service cost	-	-	-	-
Interest cost	0.86	1.46	1.19	1.96
Actuarial (gains) / loss	(4.38)	(0.43)	(0.62)	(27.80)
Benefits paid	-	-	-	-
<b>Present value of defined benefit obligation at the end of the year</b>	<b>21.30</b>	<b>22.22</b>	<b>17.61</b>	<b>13.67</b>
<b>Classification</b>				
Current liability	1.30	4.12	4.91	2.09
Non-current liability	20.01	18.10	12.69	11.99

**ARC INSULATION AND INSULATORS LIMITED**  
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**CIN : U18109WB2008PLC129263**

<b>IV Actuarial assumptions:</b>					(Amount in Lakhs, Unless Otherwise Stated)
Particulars	From 01-04-2024 to 31-10-2024	For the period ended 31.03.2024	For the year ended 31.03.2023	For the year ended 31.03.2022	
Expected Return on Plan Assets	NA	NA	NA	NA	
Discount rate	6.80%	6.97%	7.20%	7.32%	
Expected rate of salary increase	10.00%	10.00%	10.00%	10.00%	
Mortality Rate During Employment	IALM 2012-14	IAL12-14ULT	IAL12-14ULT	IAL12-14ULT	
Retirement age	60	60	60	60	

Notes:

- a. The rate used to discount post-employment benefit obligations is determined by reference to market yields at the end of the reporting period on government bonds.
- b. The estimates of future salary increases considered in the actuarial valuation take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

**ARC INSULATION AND INSULATORS LIMITED**  
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**CIN : U18109WB2008PLC129263**

**ADDITIONAL NOTES TO RESTATED FINANCIAL INFORMATION**

**NOTE 1.18 - BASIC AND DILUTED EARNINGS PER SHARE**

Particulars		For the period from 01-04-2024 to 31-10- 2024	2023-2024	2022-2023	2021-2022
Profit after Tax	Rs. In Lakhs	503.21	610.40	263.81	23.85
Closing Number of equity shares	Nos.	72,52,380	17,13,020	17,13,020	17,13,020
Weighted average number of Equity shares	Nos.	69,10,067	68,52,080	68,52,080	68,52,080
Basic earnings per share	Rupees	7.28	8.91	3.85	0.51
Diluted Earning per Share	Rupees	7.28	8.91	3.85	0.51

**NOTE 1.19**  
Medium Enterprises Development Act, 2006 and hence disclosures has been made only for the parties from whom the declaration has been received. In respect of other vendors from whom declaration has not been received disclosure has not been made for those which have not been received disclosure has not been made.

**For, Jay Gupta & Associates**  
**(Formally Known as Gupta Agarwal & Associates)**  
**Chartered Accountants**  
**FRN: 329001E**

Sd/-

**Jay Shanker Gupta**  
**(Partner)**  
**Membership No. 059535**  
**UDIN: 25059535BMHBPW3076**

**Place : Kolkata**  
**Date: January 07, 2025**

**For & on the behalf of Directors**  
**Arc Insulation And Insulators Limited**

Sd/-  
**Manish Bajoria**  
**Managing Director/ CFO**  
**DIN: 02203237**

Sd/-  
**Ashish Kumar Bajoria**  
**Director**

**Place : Kolkata**  
**Date: January 07, 2025**

Sd/-  
**Neelam Bajoria**  
**Director**  
**DIN: 02250051**

Sd/-  
**Shraddha Dhacholia**  
**Company Secretary**

**ARC INSULATION AND INSULATORS LIMITED**  
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**Annexure To Note: 1.14**  
**Foreign Currency Transactions**

<b>Particulars</b>	<b>From 1.4.24 to 31.10.2024</b>	<b>For the year ended 31.03.2024</b>	<b>For the year ended 31 March 2023</b>	<b>For the year ended 31.03.2022</b>
<b><u>Expense in Foreign Currency</u></b>				
Purchases (In USD)	1,33,754.40	2,62,467.58	2,95,770	-
Purchases (In INR in Lakhs)	112.90	218.50	243.00	-
<b><u>Capital Goods in Foreign Currency</u></b>				
Purchases (In USD)	-	-	1,45,700.00	44,750.00
Purchases (In Russian Ruble)		81,00,000.00	-	-
Purchases (In INR in Lakhs)	-	91.23	118.78	33.61
<b><u>Income in Foreign Currency</u></b>				
Sales (In USD)	32,103.00	57,520.01	1,56,224.50	1,62,296.00
Sales (In INR in Lakhs)	25.38	43.49	119.81	117.19

**ARC INSULATION AND INSULATORS LIMITED**  
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**NOTES TO RESTATED FINANCIAL INFORMATION**

**NOTE- 2**

**SHARE CAPITAL**

Annexure- V

Amount (Rs. In Lakhs, unless otherwise stated)

Particulars	As at 31-10-2024	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
	Rs. In Lakhs	Rs. In Lakhs	Rs. In Lakhs	Rs. In Lakhs
<b>Authorised</b>				
19,00,000 Equity Shares of Rs.10/- each.	-	190.00	190.00	190.00
150,00,000 Equity Shares of Rs.10/- each.	1,500.00	-	-	-
	1,500.00	190.00	190.00	190.00
<b>Issued, Subscribed &amp; Fully Paid-up</b>				
1713020 Equity Shares of Rs.10/- each.	-	171.30	171.30	171.30
7252380 Equity Shares of Rs.10/- each.	725.24	-	-	-
<b>Total</b>	<b>725.24</b>	<b>171.30</b>	<b>171.30</b>	<b>171.30</b>

**NOTE 2A : Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**

Particulars	As at 31-10-2024	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
Shares outstanding at the beginning of the year (Nos.)	17,13,020	17,13,020	17,13,020	17,13,020
Shares Issued during the year for a consideration other than in cash (Nos.)	-	-	-	-
Shares Issued during the year for a consideration in cash (Nos.)	4,00,300	-	-	-
Additional shares after splitting during the year (Nos.)	-	-	-	-
Bonus issue (Nos.)	51,39,060	-	-	-
<b>Shares outstanding at the end of the year (Nos.)</b>	<b>72,52,380</b>	<b>17,13,020</b>	<b>17,13,020</b>	<b>17,13,020</b>

**Notes:**

- The Authorised Share Capital of the company was increased from 19,00,000 Equity Shares of Rs.10/- each to 1,50,00,000 Equity Shares of Rs. 10/- each vide resolution passed in EGM dated 07th August, 2024.
- The company issued 5139060 equity shares of Rs. 10/- each as bonus shares in the ratio of 3:1 (i.e. 3 (Three) Fully paid Bonus Shares of Rs.10/- each allotted against the holding of 1 (One) equity shares of the Company) vide EGM resolution passed on 18.09.2024 (i.e. after the period considered this is Restated Financial Statement).
- The Company Further Issue 4,00,300 equity shares of Rs. 10 each by making a Preferential allotment at an issue price of Rs. 105/- (including a premium) each vide resolution dated 23-09-2024 and allotted on 30.09.2024.

**NOTE 2B: Term/rights attached to equity shares:**

The Company has only one class of equity shares having a par value of Rs 10 per share. Holder of each equity share is entitled to one vote. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the board of directors is subject to the approval of shareholders at the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution to equity shareholders will be in proportion to the number of equity shares held by the shareholders.

**NOTE 2C: Shares held by Promoters**

Promoter Name	No. of Shares				% Change during the year			
	As at 31.10.2024	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022	As at 31.10.2024	F.Y. 2023-24	F.Y. 2022-23	F.Y. 2021-22
	Face Value Rs. 10/-	Face Value Rs. 10/-	Face Value Rs. 10/-	Face Value Rs. 10/-				
1 Manish Bajoria	36,95,280	9,23,820	9,24,020	9,24,020	300.00%	-0.02%	0.00%	0.00%
2 Neelam Bajoria	12,36,000	3,09,000	1,09,000	1,09,000	300.00%	183.49%	0.00%	0.00%
3 Swabhumi distributors Private Limited	17,00,000	4,25,000	4,25,000	4,25,000	300.00%	0.00%	0.00%	0.00%
4 Manish Bajoria (HUF)	1,40,000	35,000	35,000	35,000	300.00%	0.00%	0.00%	0.00%
5 Ashish Kumar Bajoria	400	100	-	-	300.00%	0.00%	0.00%	0.00%
<b>Total</b>	<b>67,71,680</b>	<b>16,92,920</b>	<b>14,93,020</b>	<b>14,93,020</b>				-

**NOTE 2D: Shares held by Promoters Group**

Promoter Name	No. of Shares				% Change during the year			
	As at 31.10.2024	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022	As at 31.10.2024	F.Y. 2023-24	F.Y. 2022-23	F.Y. 2021-22
	Face Value Rs. 10/-	Face Value Rs. 10/-	Face Value Rs. 10/-	Face Value Rs. 10/-				
1 Vinod Agarwal	-	-	2,20,000	2,20,000	0.00%	-100.00%	0.00%	0.00%
2 Aman Bajoria	80,000	20,000	-	-	300.00%	0.00%	0.00%	0.00%
3 Prem Lata Bajoria	400	100	-	-	300.00%	0.00%	0.00%	0.00%

**NOTE 2E: The Details of shareholding holding more than 5%**

Name of shareholder	As at 31.10.2024		As at 31.03.2024		As at 31.03.2023		As at 31.03.2022	
	Number of Shares	% of Holding	Number of Shares	% of Holding	Number of Shares	% of Holding	Number of Shares	% of Holding
	Face Value Rs. 10/-		Face Value Rs. 10/-		Face Value Rs. 10/-		Face Value Rs. 10/-	
Manish Bajoria	36,95,280	50.95%	9,23,820	53.93%	9,24,020	53.94%	9,24,020	53.94%
Neelam Bajoria	12,36,000	17.04%	3,09,000	18.04%	1,09,000	6.36%	1,09,000	6.36%
Vinod Agarwal	-	0.00%	-	0.00%	2,20,000	12.84%	2,20,000	12.84%
Swabhumi distributors Private Limited	17,00,000	23.44%	4,25,000	24.81%	4,25,000	24.81%	4,25,000	24.81%

**ARC INSULATION AND INSULATORS LIMITED**  
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CIN : U18109WB2008PLC129263

**NOTES TO RESTATED FINANCIAL INFORMATION**

**NOTE-3**

**RESERVE & SURPLUS**

Annexure- VI

Amount (Rs. In Lakhs, unless otherwise stated)

Particulars	As at 31-10-2024	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
<b>Securities Premium</b>				
Balance at the beginning of the reporting period	112.64	112.64	112.64	112.64
Add: Addition during the year	380.29	-	-	-
Less: Bonus Share Issue	-	-	-	-
<b>Balance at the end of the reporting period</b>	<b>492.92</b>	<b>112.64</b>	<b>112.64</b>	<b>112.64</b>
<b>Surplus/(Deficit) in Statement of Profit &amp; Loss</b>				
<b>Opening balance</b>	961.34	350.94	87.14	68.30
Add/(Less): Net Profit/(Net Loss) for the current year	503.21	610.40	263.81	23.85
Less: Earlier Year Tax	(22.64)	-	-	(5.01)
Less: Expenses for Increase in Authorised Capital	(10.66)	-	-	-
Less: Expenses related to upcoming IPO	(10.00)	-	-	-
Less: Bonus Issue	(513.91)	-	-	-
<b>Closing Balance</b>	<b>907.34</b>	<b>961.34</b>	<b>350.94</b>	<b>87.14</b>
<b>Total</b>	<b>1,400.26</b>	<b>1,073.98</b>	<b>463.58</b>	<b>199.77</b>

**NOTES TO RESTATED FINANCIAL INFORMATION**

**NOTE- 4**

**LONG TERM BORROWINGS**

Annexure- VII

Amount (Rs. In Lakhs, unless otherwise stated)

Particulars	As at 31-10-2024	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
<b>(a) Secured Loan</b>				
<b>From banks</b>				
Term loans from Bank	161.65	220.83	313.92	182.26
<b>(b) Unsecured Loans</b>				
Loan from related parties	12.34	11.93	65.42	92.47
Loan from Other parties	-	-	6.00	12.50
<b>Total</b>	<b>173.99</b>	<b>232.76</b>	<b>385.33</b>	<b>287.22</b>
<b>Less: Current Maturities of Long Term Debts</b>	<b>47.44</b>	<b>76.62</b>	<b>95.33</b>	<b>61.91</b>
<b>Total</b>	<b>126.55</b>	<b>156.14</b>	<b>290.01</b>	<b>225.31</b>

Note: Secured & Unsecured Loan Detail are Refer Note No. 4.1

**NOTE- 5**

**LONG TERM PROVISIONS**

Annexure- VIII

Amount (Rs. In Lakhs, unless otherwise stated)

Particulars	As at 31-10-2024	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
Provisions for Employee Benefit- Gratuity Provision	20.01	20.45	16.22	12.46
<b>Total</b>	<b>20.01</b>	<b>20.45</b>	<b>16.22</b>	<b>12.46</b>

**NOTE- 6**

**SHORT TERM BORROWINGS**

Annexure- IX

Amount (Rs. In Lakhs, unless otherwise stated)

Particulars	As at 31-10-2024	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
<b>Secured Loan:</b>				
Loans repayable on demand				
Cash Credit	-	-	150.50	121.84
From Banks	-	-	-	0.11
Current maturities of Long term borrowings	47.44	76.62	95.33	61.91
<b>Total</b>	<b>47.44</b>	<b>76.62</b>	<b>245.83</b>	<b>183.86</b>

**NOTE- 7**

**TRADE PAYABLES**

Annexure- X

Amount (Rs. In Lakhs, unless otherwise stated)

Particulars	As at 31-10-2024	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
Trade Payables- Due to MSME	-	-	-	-
Trade Payables- Due to Other than MSME	641.86	477.31	331.58	329.10
<b>Total</b>	<b>641.86</b>	<b>477.31</b>	<b>331.58</b>	<b>329.10</b>

(Balances are subjected to ledger confirmations)

**Trade Payables ageing schedule for the year ended 31.10.2024**

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	-	-	-	-	-
Others	391.06	189.78	61.02	-	641.86
Disputed Dues- MSME	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-
<b>TOTAL</b>	<b>391.06</b>	<b>189.78</b>	<b>61.02</b>	<b>-</b>	<b>641.86</b>

**Trade Payables ageing schedule for the year ended 31.03.2024**

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	-	-	-	-	-
Others	452.59	15.02	9.71	-	477.31
Disputed Dues- MSME	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-
<b>TOTAL</b>	<b>452.59</b>	<b>15.02</b>	<b>9.71</b>	<b>-</b>	<b>477.31</b>

**NOTES TO RESTATED FINANCIAL INFORMATION**

**Trade Payables ageing schedule for the year ended 31.03.2023**

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	-	-	-	-	-
Others	311.48	14.93	5.16	-	331.58
Disputed Dues- MSME	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-
<b>TOTAL</b>	<b>311.48</b>	<b>14.93</b>	<b>5.16</b>	<b>-</b>	<b>331.58</b>

**Trade Payables ageing schedule for the year ended 31.03.2022**

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	-	-	-	-	-
Others	286.45	34.45	8.19	-	329.10
Disputed Dues- MSME	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-
<b>TOTAL</b>	<b>286.45</b>	<b>34.45</b>	<b>8.19</b>	<b>-</b>	<b>329.10</b>

**NOTE- 8**

**OTHER CURRENT LIABILITIES**

Annexure- XI

Amount (Rs. In Lakhs, unless otherwise stated)

Particulars	As at 31-10-2024	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
<u>Other Payables</u>				
Advance from Customers	15.11	30.83	93.37	38.34
Expenses payable	12.36	-	37.28	12.41
Deposits from others	-	-	4.64	3.45
Statutory Dues:				
- TDS & TCS Payable	7.69	13.60	9.49	4.78
- PF & ESI Payable	0.89	0.91	0.32	0.56
- Earlier Years TDS Demand	4.91	4.91	4.81	4.37
Other Payables	47.45	8.16	43.37	-
Import/Export Payables	-	1.83	0.64	1.09
Other Current liabilities	-	-	31.59	30.71
<b>TOTAL</b>	<b>88.42</b>	<b>60.23</b>	<b>225.50</b>	<b>95.72</b>

**NOTE- 9**

**SHORT TERM PROVISIONS**

Annexure- XII

Amount (Rs. In Lakhs, unless otherwise stated)

Particulars	As at 31-10-2024	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
Provision For Employee Benefits- Gratuity Provision	1.30	1.77	1.39	1.21
Provision for Income Tax (Net off TDS & TCS)	111.73	157.74	81.88	3.10
<b>Total</b>	<b>113.03</b>	<b>159.51</b>	<b>83.27</b>	<b>4.31</b>
	-	-	-	-0.00

**NOTE- 10**

**PROPERTY, PLANT & EQUIPMENTS AND INTANGIBLE ASSETS**

Annexure- XIII

Amount (Rs. In Lakhs, unless otherwise stated)

Particulars	As at 31-10-2024	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
Property, Plant & Equipments	682.88	646.81	532.65	457.59
<b>TOTAL</b>	<b>682.88</b>	<b>646.81</b>	<b>532.65</b>	<b>457.59</b>

**NOTE- 11**

**NON CURRENT INVESTMENTS**

Annexure- XIV

Amount (Rs. In Lakhs, unless otherwise stated)

Particulars	As at 31-10-2024	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
Fixed Deposit with Scheduled Bank - Held as Margin Money against Bank Guarantee	239.28	89.17	68.98	31.83
<b>Total</b>	<b>239.28</b>	<b>89.17</b>	<b>68.98</b>	<b>31.83</b>

**NOTE- 12**

**DEFERRED TAX LIABILITIES/(ASSETS) (NET)**

Annexure- XV

Amount (Rs. In Lakhs, unless otherwise stated)

Particulars	As at 31-10-2024	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
Deferred Tax Liabilities/(Assets)	(8.46)	(16.07)	(14.51)	(13.66)
<b>Total</b>	<b>(8.46)</b>	<b>(16.07)</b>	<b>(14.51)</b>	<b>(13.66)</b>



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**NOTES TO RESTATED FINANCIAL INFORMATION**

**NOTE- 13**

**OTHER NON CURRENT ASSETS**

Annexure- XVI

Amount (Rs. In Lakhs, unless otherwise stated)

Particulars	As at 31-10-2024	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
Security Deposits	18.17	19.36	15.77	14.56
Capital Advances:				
- Advance against Land	305.81	318.58	-	-
- Advance against office	30.87			
Others	-	0.09	1.69	16.33
Total	354.85	338.04	17.45	30.89

**NOTE 14**

**INVENTORIES**

Annexure- XVII

Particulars	As at 31-10-2024	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
Raw Material at lower of cost or reliable value	351.40	307.82	328.09	172.19
Finished goods at lower of cost or reliable value	256.26	250.80	102.42	156.40
Total	607.66	558.62	430.52	328.60

Note: Value of closing inventory has been considered as per AS-2 i.e. lower of Cost or NRV, as certified by the management

**NOTE- 15**

**TRADE RECEIVABLES**

Annexure- XVIII

Amount (Rs. In Lakhs, unless otherwise stated)

Particulars	As at 31-10-2024	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
(a) Secured, considered good;	-	-	-	-
(b) Unsecured, considered good;	1,095.41	446.75	651.88	212.13
(c) Doubtful.				
Total	1,095.41	446.75	651.88	212.13

(Balances are subjected to ledger confirmations)

**Trade Receivable Ageing Schedule for the year ended 31.10.2024**

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6months	6months - 1year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables — considered good	853.93	116.00	82.00	12.91	-	1,064.84
Undisputed Trade Receivables — considered doubtful						-
Disputed Trade Receivables considered good	-	-	-	-	30.56	30.56
Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
TOTAL	853.93	116.00	82.00	12.91	30.56	1,095.41

**Trade Receivable Ageing Schedule for the year ended 31.03.2024**

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6months	6months - 1year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables — considered good	205.84	117.07	73.32	19.95	-	416.19
Undisputed Trade Receivables — considered doubtful						-
Disputed Trade Receivables considered good	-	-	-	-	30.56	30.56
Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
TOTAL	205.84	117.07	73.32	19.95	30.56	446.75

**Trade Receivable Ageing Schedule for the year ended 31.03.2023**

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6months	6months - 1year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables — considered good	545.90	67.04	8.37	-	-	621.32
Undisputed Trade Receivables — considered doubtful	-	-	-			-
Disputed Trade Receivables considered good	-	-	-	30.56	-	30.56
Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
TOTAL	545.90	67.04	8.37	30.56	-	651.88

**Trade Receivable Ageing Schedule for the year ended 31.03.2022**

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6months	6months - 1year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables — considered good	169.64	9.94	2.00	-	-	181.57
Undisputed Trade Receivables — considered doubtful	-	-	30.56			30.56
Disputed Trade Receivables considered good	-	-	-	-	-	-
Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
TOTAL	169.64	9.94	32.56	-	-	212.13

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**NOTES TO RESTATED FINANCIAL INFORMATION**

**NOTE- 16**

**CASH AND CASH EQUIVALENTS**

Annexure- XIX

Amount (Rs. In Lakhs, unless otherwise stated)

Particulars	As at 31-10-2024	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
Balances with Banks	12.04	2.10	2.10	0.51
Balance in Cash credit account	17.35	13.79	-	-
Cash on Hand (As certified by management)	34.61	21.20	2.54	6.83
Total	64.00	37.09	4.65	7.34

**NOTE- 17**

**SHORT TERM LOANS AND ADVANCES**

Annexure- XX

Amount (Rs. In Lakhs, unless otherwise stated)

Particulars	As at 31-10-2024	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
Advances to related parties	8.00	-	9.70	4.26
<b>Others</b>				
<b>Unsecured &amp; Considered good</b>				
Other Deposit	-	-	53.38	51.02
Advance to supplier	100.73	48.22	33.09	57.05
Total	108.73	48.22	96.17	112.33

**NOTE- 18**

**OTHER CURRENT ASSETS**

Annexure- XXI

Amount (Rs. In Lakhs, unless otherwise stated)

Particulars	As at 31-10-2024	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
Prepaid Expense				-
Other Assets	0.73	3.21	3.34	7.50
Balances with Revenue Authorities:				
- Meis/Duty Drawback Receivable	-	-	1.12	2.70
- Income Tax, Self Asst. Tax & TDS (Net off with Provision for Income Tax)	-	-	-	-0.00
- GST Receivable	-	-	-	11.24
- Statutory Fee	0.81	0.81	0.81	0.81
Stores and Spare parts	-	-	5.21	5.21
Advance Salary	-	10.75	-	-
Total	1.54	14.76	10.47	27.45

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**NOTES TO RESTATED FINANCIAL INFORMATION**

Annexure- XXII				
Amount (Rs. In Lakhs, unless otherwise stated)				
Particulars	For the period from 01-04- 2024 to 31-10- 2024	For the year ended 31.03.2024	For the year ended 31.03.2023	For the year ended 31.03.2022
<b>NOTE- 19</b>				
<b>REVENUE FROM OPERATIONS</b>				
Sale of Finished Goods:				
- Domestic	1,852.95	2,782.26	2,278.45	1,036.98
- Export	25.38	43.49	119.81	117.19
Other operating revenues	9.00	19.72	-	-
<b>Total</b>	<b>1,887.32</b>	<b>2,845.47</b>	<b>2,398.25</b>	<b>1,154.17</b>

Annexure- XXIII				
Amount (Rs. In Lakhs, unless otherwise stated)				
Particulars	For the period from 01-04- 2024 to 31-10- 2024	For the year ended 31.03.2024	For the year ended 31.03.2023	For the year ended 31.03.2022
<b>NOTE- 20</b>				
<b>OTHER INCOME</b>				
<b>Recurring and Related to Business:</b>				
Interest Income	4.76	4.69	2.28	1.43
Forex Gain (net)	1.17	-	8.89	1.57
<b>Recurring and Not-related to Business:</b>				
Profit on sale of assets	-	-	0.04	-
Other non-operating Income	1.02	33.21	38.54	15.40
<b>Non-Recurring and Related to Business:</b>				
Changes in Gratuity Actuarial assumption	0.92			
<b>Total</b>	<b>7.86</b>	<b>37.90</b>	<b>49.76</b>	<b>18.39</b>

Annexure- XXIV				
Amount (Rs. In Lakhs, unless otherwise stated)				
Particulars	For the period from 01-04- 2024 to 31-10- 2024	For the year ended 31.03.2024	For the year ended 31.03.2023	For the year ended 31.03.2022
<b>NOTE- 21</b>				
<b>COST OF MATERIALS CONSUMED</b>				
Opening Stock Raw Materials	307.82	328.09	172.19	172.71
Purchases of Raw Materials				
Indegenous purchase	792.00	1,211.63	1,208.33	773.10
Import purchase	112.90	218.50	243.00	-
Less: Closing Stock of Raw Materials	351.40	307.82	328.09	172.19
Add : Direct Expenses:				
Consumables	-	0.10	0.13	20.55
Direct Wages	30.75	38.35	47.38	33.33
Freight Charges	27.49	68.69	104.60	28.41
Power & Fuel	19.28	31.66	29.84	23.67
Other Direct Expenses	43.47	29.68	37.65	1.67
<b>Total Direct Expenses</b>	<b>120.99</b>	<b>168.47</b>	<b>219.60</b>	<b>107.63</b>
<b>Total</b>	<b>982.31</b>	<b>1,618.87</b>	<b>1,515.04</b>	<b>881.25</b>

Annexure- XXV				
Amount (Rs. In Lakhs, unless otherwise stated)				
Particulars	For the period from 01-04- 2024 to 31-10- 2024	For the year ended 31.03.2024	For the year ended 31.03.2023	For the year ended 31.03.2022
<b>NOTE 21</b>				
<b>CHANGES IN INVENTORIES</b>				
Finished goods :				
Opening Stock	250.80	102.42	156.40	119.69
Closing Stock	256.26	250.80	102.42	156.40
<b>(Increase)/Decrease</b>	<b>(5.46)</b>	<b>(148.38)</b>	<b>53.98</b>	<b>(36.71)</b>
<b>Total</b>	<b>(5.46)</b>	<b>(148.38)</b>	<b>53.98</b>	<b>(36.71)</b>

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**NOTES TO RESTATED FINANCIAL INFORMATION**

**NOTE- 23** Annexure- XXVI  
**EMPLOYEES BENEFIT EXPENSE** Amount (Rs. In Lakhs, unless otherwise stated)

Particulars	For the period from 01-04- 2024 to 31-10- 2024	For the year ended 31.03.2024	For the year ended 31.03.2023	For the year ended 31.03.2022
Salaries, Wages & Bonus	42.52	39.38	32.12	19.19
Director's Remuneration	35.00	60.00	60.00	60.00
Gratuity	-	4.61	3.93	2.88
Contribution to Provident and other funds	3.50	3.88	2.33	1.95
Total	81.03	107.87	98.39	84.02

**NOTE- 24** Annexure- XXVII  
**FINANCE COST** Amount (Rs. In Lakhs, unless otherwise stated)

Particulars	For the period from 01-04- 2024 to 31-10- 2024	For the year ended 31.03.2024	For the year ended 31.03.2023	For the year ended 31.03.2022
<b>Interest Expense</b>				
On Bank Loan	22.53	36.47	44.71	41.48
Bank Charges	1.80	4.75	8.93	2.73
Total	24.33	41.21	53.64	44.20

**NOTE- 25** Annexure- XXVIII  
**DEPRECIATION & AMORTIZATION EXPENSE** Amount (Rs. In Lakhs, unless otherwise stated)

Particulars	For the period from 01-04- 2024 to 31-10- 2024	For the year ended 31.03.2024	For the year ended 31.03.2023	For the year ended 31.03.2022
Depreciation on Property, Plant & Equipment	55.08	86.07	72.37	59.26
Total	55.08	86.07	72.37	59.26

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**NOTES TO RESTATED FINANCIAL INFORMATION**

<b>NOTE- 26</b>	<b>Annexure- XXIX</b>			
<b>OTHER EXPENSES</b>	<b>Amount (Rs. In Lakhs, unless otherwise stated)</b>			
<b>Particulars</b>	<b>For the period from 01-04- 2024 to 31-10- 2024</b>	<b>For the year ended 31.03.2024</b>	<b>For the year ended 31.03.2023</b>	<b>For the year ended 31.03.2022</b>
Advertisement & Publicity	0.20	1.31	-	-
Auditor Remuneration	1.18	3.00	1.45	1.00
Bad Debt	-	-	12.38	-
Balance written off	-	1.67	27.67	23.76
Business promotion	11.27	29.55	51.45	32.99
Calibration charge	-	-	-	0.25
Certification & Inspection Expenses	0.37	-	-	-
Commission on sales	3.57	173.70	99.85	6.02
Stores & spares	7.08	13.05	13.21	-
Computer Expenses	0.16	0.15	0.57	-
Car Expenses	-	-	10.48	-
Delivery Expenses	0.22	0.61	1.12	-
Donation Expenses	-	0.48	0.39	0.45
Forex Loss (net)	-	4.23	-	-
Freight Charges	2.08	13.03	4.02	-
Gst Reversal Expenses	-	8.31	-	-
General Expenses	0.50	0.48	3.00	6.65
Insurance expenses	-	0.22	3.74	0.43
Interest paid on GST	-	0.03	-	-
Interest paid on TDS/ TDS demand	-	0.43	0.44	4.37
Internet Expenses	-	0.08	0.22	-
Legal & Profession Charges	17.70	24.51	3.11	1.89
Lab Expenses	-	0.06	-	-
Miscellaneous Expenses	1.23	2.99	-	-
Office Expenses	4.94	10.96	0.68	0.10
Postage & Telecommunication	0.45	0.68	-	0.18
Printing & Stationery	0.89	0.05	0.21	0.12
Prior Years Interest Difference	-	8.59	-	-
Power and Fuel Expenses	0.20	0.89	0.10	-
Packing expenses	-	-	1.50	2.64
Rent	-	-	1.05	-
Repairs & Maintanance	17.75	11.77	30.66	7.13
Round off	0.00	0.01	0.13	-
Security Charges	4.33	5.28	5.28	5.28
Selling and Administration Expenses	-	-	-	4.53
Software Expenses	2.48	-	-	-
Statutory payments	1.66	2.26	0.15	-
Testing Charges	0.76	11.05	1.00	0.79
Travelling and conveyance	5.94	31.06	28.08	2.48
Tender expenses	0.17	1.37	-	-
<b>TOTAL</b>	<b>85.13</b>	<b>361.87</b>	<b>301.91</b>	<b>101.08</b>
<b>*Details of Payment to Auditors</b>				
	<b>Amount (Rs. In Lakhs, unless otherwise stated)</b>			
<b>Particulars</b>	<b>For the period from 01-04- 2024 to 31-10- 2024</b>	<b>For the year ended 31.03.2024</b>	<b>For the year ended 31.03.2023</b>	<b>For the year ended 31.03.2022</b>
<b>Details of Payments to Auditor</b>				
Statutory Audit	1.18	3.00	1.45	1.00
Total	1.18	3.00	1.45	1.00

**ARC INSULATION AND INSULATORS LIMITED**  
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**NOTE- 10** Annexure- XIII

**Property, Plant & Equipment & Intangible Assets**

*Amount (Rs. In Lakhs, unless otherwise stated)*

As on 31.10.2024

Particulars	GROSS BLOCK				DEPRECIATION			NET BLOCK		
	As at	Additions	Disposal	As at	As at	For the	Adjustment	As at	As at	As at
	01.04.2024			31.10.2024	01.04.2024	Year		31.10.2024	31.10.2024	31.03.2024
<b>Tangible Assets</b>										
Freehold Land	113.74	65.86		179.60	-	-	-	-	179.60	113.74
Building	325.89	2.22		328.10	193.98	7.38	-	201.36	126.74	131.91
Plant & Machinery	888.92	15.04		903.96	524.01	40.83	-	564.84	339.12	364.92
Furniture	7.32	3.76		11.09	5.80	0.56	-	6.35	4.73	1.53
Electrical Fitting	36.22	0.84		37.06	32.08	0.50	-	32.58	4.48	4.14
Office Equipments	8.93			8.93	4.55	1.19	-	5.74	3.19	4.38
Computers	6.02	3.43		9.46	5.50	0.91	-	6.41	3.05	0.53
Vehicles	157.80			157.80	132.12	3.71	-	135.83	21.97	25.68
<b>Total</b>	<b>1,544.84</b>	<b>91.15</b>	<b>-</b>	<b>1,635.99</b>	<b>898.03</b>	<b>55.08</b>	<b>-</b>	<b>953.11</b>	<b>682.88</b>	<b>646.81</b>

**NOTE- 10** Annexure- XIII

**Property, Plant & Equipment & Intangible Assets**

*Amount (Rs. In Lakhs, unless otherwise stated)*

As on 31.03.2024

Particulars	GROSS BLOCK				DEPRECIATION			NET BLOCK		
	As at	Additions	Disposal	As at	As at	For the	Adjustment	As at	As at	As at
	01.04.2023			31.03.2024	01.04.2023	Year		31.03.2024	31.03.2024	31.03.2023
<b>Tangible Assets</b>										
Freehold Land	77.03	36.71		113.74	-	-	-	-	113.74	77.03
Building	313.55	12.34		325.89	180.64	13.34	-	193.98	131.91	132.91
Plant & Machinery	747.01	141.91		888.92	462.37	61.63	-	524.01	364.92	284.64
Furniture	7.07	0.26		7.32	5.34	0.45	-	5.80	1.53	1.72
Electrical Fitting	36.22	-		36.22	31.12	0.96	-	32.08	4.14	5.10
Office Equipments	5.31	3.62		8.93	3.38	1.17	-	4.55	4.38	1.93
Computers	5.84	0.18		6.02	5.02	0.47	-	5.50	0.53	0.82
Vehicles	152.59	5.21		157.80	124.08	8.04	-	132.12	25.68	28.51
<b>Total</b>	<b>1,344.61</b>	<b>200.23</b>	<b>-</b>	<b>1,544.84</b>	<b>811.96</b>	<b>86.07</b>	<b>-</b>	<b>898.03</b>	<b>646.81</b>	<b>532.65</b>

**ARC INSULATION AND INSULATORS LIMITED**  
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As on 31.03.2023

Particulars	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As at	Additions	Disposal	As at	As at	For the	Adjustment	As at	As at	As at
	01.04.2022			31.03.2023	01.04.2022	Year		31.03.2023	31.03.2023	31.03.2022
<b><u>Tangible Assets</u></b>										
Freehold Land	62.03	15.00		77.03	-	-	-	-	77.03	62.03
Building	313.55	-		313.55	166.71	13.93		180.64	132.91	146.84
Plant & Machinery	621.99	125.03		747.01	419.61	42.76	-	462.37	284.64	202.38
Furniture	6.31	0.76		7.07	4.96	0.39	-	5.34	1.72	1.36
Electrical Fitting	36.10	0.11		36.22	29.96	1.17		31.12	5.10	6.15
Office Equipments	4.44	0.87		5.31	1.97	1.41	-	3.38	1.93	2.47
Computers	5.50	0.35		5.84	4.15	0.87		5.02	0.82	1.35
Vehicles	147.26	5.32		152.59	112.24	11.83	-	124.08	28.51	35.02
<b>Total</b>	<b>1,197.18</b>	<b>147.44</b>	<b>-</b>	<b>1,344.61</b>	<b>739.59</b>	<b>72.37</b>	<b>-</b>	<b>811.96</b>	<b>532.65</b>	<b>457.59</b>

As on 31.03.2022

Particulars	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As at	Additions	Disposal	As at	As at	For the	Adjustment	As at	As at	As at
	01.04.2021			31.03.2022	01.04.2021	Year		31.03.2022	31.03.2022	31.03.2021
<b><u>Tangible Assets</u></b>										
Freehold Land	62.03	-		62.03	-	-		-	62.03	62.03
Building	311.49	2.06		313.55	151.51	15.20	-	166.71	146.84	159.98
Plant & Machinery	566.65	55.34		621.99	384.05	35.56	-	419.61	202.38	182.59
Furniture	6.31			6.31	4.48	0.48	-	4.96	1.36	1.83
Electrical Fitting	35.01	1.09	-	36.10	28.74	1.21	-	29.96	6.15	6.27
Office Equipments	1.90	2.54		4.44	1.69	0.28	-	1.97	2.47	0.21
Computers	4.11	1.39		5.50	3.37	0.78		4.15	1.35	0.75
Vehicles	120.14	27.13		147.26	106.49	5.76	-	112.24	35.02	13.65
<b>Total</b>	<b>1,107.64</b>	<b>89.54</b>	<b>-</b>	<b>1,197.18</b>	<b>680.33</b>	<b>59.26</b>	<b>-</b>	<b>739.59</b>	<b>457.59</b>	<b>427.31</b>

**ARC INSULATION AND INSULATORS LIMITED**  
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**STATEMENT OF PRINCIPAL TERMS OF LOANS AND ASSETS CHARGED AS SECURITY**

Name of Lender/Fund	Nature of Facility	Date of Issue	Sanctioned Amount (Rs. In Lakhs)	Securities offered	Repayment Period	Rate of Interest	Outstanding amount as on 31.10.2024 (Rs. In Lakhs)
<b>4.1. Long term Borrowings:</b>							
<b>SECURED LOANS</b>							
<b>Business Term Loan:</b>							
ICICI BANK	Car Loan	18-09-2021	14.60	Hypothecation of Car against Loan	60 Months	7.80%	6.55
HERO FINANCE CORPORATION LIMITED	Corporate Term Loan	30-04-2019	160.00	Mortgage aganst land held in name of Manish Bajoria at Mouza – Samali, Police Station – Bishnupur, J.L.No.23, R.S.Khatian Nos.465 and 498, L.R.Khatian No.2298, R.S. and L.R.Dag Nos.86 and 87, District South 24 Parganas.	72 Months	13.00%	41.75
ICICI BANK	Car loan	30-03-2022	10.00	Hypothecation of Car against Loan	36 Months	7.50%	1.83
KOTAK MAHINDRA BANK LIMITED	Loan against Property	31-05-2022	128.00	Mortgage against property and personal guarantee given by Manish Bajoria	120 Months	9.85%	111.52
							<b>161.65</b>
<b>UNSECURED LOANS</b>							
MANISH BAJORIA	Loan from related party (Managing Director))			Terms & conditions are not specified			12.34
							<b>12.34</b>
<b>Total</b>							<b>173.99</b>

Note : The Compnay has availed Fund based limit as Cash Credit Limit of Rs 485 Lakhs from State Bank of India along with Non fund based limit of Rs 85 Lakhs of Bank Guarantee & Rs 50 Lakhs of Letter of Credit and Credit exposure limit of Rs. 1.00 lakhs against Hypothecation of stock & book debts, Equitable mortgage of two storied building with RCC & Asbestors roofing factory shed constructed on plot of land measuring 99 decimals, R.S/L.R Dag no. 170 under mouza - Mukundapur, R.S & L.R Dag no. 718 & 719 under mouza ramdevpur at premises bibirhat Mahishgoat Road, Vill - Ramdevpur within the clear ambit of khagramuri Gram Panchayat JL no. 6 & 7, Touzi no. 99 & 14, Pargana Magura, PO - Bawali, RS - 49 & 89,PS & ADSR - Bishnupur, Dist South 24 Parganas in the name of ARC Insulation & Insulators Ltd. and Personal Gurantee of Manish Bajoria & Neelam Bajoria.



**ARC INSULATION AND INSULATORS LIMITED**  
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**STATEMENT OF RELATED PARTY TRANSACTIONS**

**NOTE 1.20 : Related Party Disclosures**

Annexure- XXX

**A. List of Related parties**

<u>Sl. No.</u>	<u>Name</u>	<u>Relation</u>
<b><u>Key Managerial Personnel</u></b>		
1	Mr. Manish Bajoria	Managing Director & CFO
2	Mrs. Neelam Bajoria	Director
3	MR. Ashish Kumar Bajoria	Director
4	Shradha Dhacholia	Company Secretary
<b><u>Relative of Key Managerial Personnel</u></b>		
1	Aman Bajoria	Son of Manish and Neelam Bajoria
2	Premlata Bajoria	Mother of Manish Bajoria
3	Manish Bajoria(HUF)	Manish Bajoria, Karta
4	Meenu Agarwal	Sister of Neelam Bajoria
<b><u>Enterprises having Significant Influence</u></b>		
1	Swabhumi Distributors Pvt Ltd	

Amount (Rs. In Lakhs, unless otherwise stated)

AS ON 31.10.2024

<b>A. Transactions with Related Parties during the period</b>	<b>KMP</b>	<b>Relative of KMP</b>	<b>Holding Company</b>	<b>Enterprises having Significant</b>
<b>Nature of Transactions</b>				
<b><u>Director Remuneration</u></b>				
Manish Bajoria	21.00			
Neelam Bajoria	14.00			
<b><u>Loan availed</u></b>				
Manish Bajoria	29.17			
Neelam Bajoria	0.06			
Meenu Agarwal		45.00		
<b><u>Loan repaid</u></b>				
Manish Bajoria	71.98			
Neelam Bajoria	0.06			
Meenu Agarwal		35.00		
<b><u>Salary</u></b>				
Aman Bajoria		3.00		

Amount (Rs. In Lakhs, unless otherwise stated)

<b>B. Outstanding Balances</b>	<b>KMP</b>	<b>Relative of KMP</b>	<b>Holding Company</b>	<b>Enterprises having Significant</b>
<b>Nature of Transactions</b>				
<b><u>Unsecured Loan</u></b>				
Manish Bajoria	12.34			
<b><u>Advances Given</u></b>				
Meenu Agarwal		10.00		
<b><u>Advance Given for Land</u></b>				
Manish Bajoria	313.91			
<b><u>Remuneration/ Salary Pivable</u></b>				
Manish Bajoria	4.82			
Neelam Bajoria	5.27			
Aman Bajoria		2.00		

**ARC INSULATION AND INSULATORS LIMITED**  
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**STATEMENT OF RELATED PARTY TRANSACTIONS**

Amount (Rs. In Lakhs, unless otherwise stated)

AS ON 31.03.2024

A. Transactions with Related Parties during the period	KMP	Relative/HUF of KMP	Holding Company	Enterprises having Significant
Nature of Transactions				
<b>Director Remuneration</b>				
Manish Bajoria	36.00			
Neelam Bajoria	24.00			
<b>Loan availed</b>				
Manish Bajoria	369.20			
Meenu Agarwal		9.22		
Neelam Bajoria	92.15			
Aman Bajoria		12.30		
<b>Loan repaid</b>				
Manish Bajoria	390.42			
Manish Bajoria HUF		2.34		
Meenu Agarwal		25.50		
Neelam Bajoria	102.80			
Aman Bajoria		11.60		
<b>Salary</b>				
Aman Bajoria		6.00		
Amount (Rs. In Lakhs, unless otherwise stated)				
B. Outstanding Balances	KMP	Relative of KMP	Holding Company	Enterprises having Significant
Nature of Transactions				
<b>Unsecured Loan</b>				
Manish Bajoria	11.93			
<b>Advance Given for Land</b>				
Manish Bajoria	260.83			-
<b>Remuneration/ Salary Payable</b>				
Manish Bajoria	0.23			
Neelam Bajoria	0.01			

**ARC INSULATION AND INSULATORS LIMITED**  
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**STATEMENT OF RELATED PARTY TRANSACTIONS**

Amount (Rs. In Lakhs, unless otherwise stated)

AS ON 31.03.2023

A. Transactions with Related Parties during the period	KMP	Relative of KMP	Holding Company	Enterprises having Significant
Nature of Transactions				
<b>Director Remuneration</b>				
Manish Bajoria	36.00			
Neelam Bajoria	24.00			
<b>Salary</b>				
Aman Bajoria		6.00		
Premlata Bajoria		4.80		
<b>Loan availed</b>				
Manish Bajoria	6.00			
Neelam Bajoria	9.75	-		
<b>Loan repaid</b>				
Manish Bajoria	9.00			
Neelam Bajoria	23.80			
Aman Bajoria		2.44		
Meenu Agarwal		13.00		
Amount (Rs. In Lakhs, unless otherwise stated)				
B. Outstanding Balances	KMP	Relative & HUF of KMP	Holding Company	Enterprises having Significant Influence
Nature of Transactions				
<b>Unsecured Loan</b>				
Manish Bajoria	33.15			-
Manish Bajoria HUF		2.34		
Neelam Bajoria	10.65			
Meenu Agarwal		19.28		
<b>Advances Given</b>				
Aman Bajoria		6.70		
Manish Bajoria	0.92			
Meenu Agarwal		3.00		
<b>Remuneration Payable</b>				
Neelam Bajoria	27.51			
Premlata Bajoria	4.80			

**ARC INSULATION AND INSULATORS LIMITED**  
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**STATEMENT OF RELATED PARTY TRANSACTIONS**

Amount (Rs. In Lakhs, unless otherwise stated)

AS ON 31.03.2022

A. Transactions with Related Parties during the period				
Nature of Transactions	KMP	Relative of KMP	Holding Company	Enterprises having Significant Influence
<b>Director Remuneration</b>				
Mr. Manish Bajoria	36.00			
Ms. Neelam Bajoria	24.00			
<b>Loan availed</b>				
Neelam Bajoria	22.00			
<b>Loan repaid</b>				
Manish Bajoria	10.10			
Neelam Bajoria	22.01			
Meenu Agarwal		3.00		
<b>Advance Given</b>				
Aman Bajoria		4.26		
Amount (Rs. In Lakhs, unless otherwise stated)				
B. Outstanding Balances				
Nature of Transactions	KMP	Relative & HUF of KMP	Holding Company	Enterprises having Significant Influence
<b>Unsecured Loan</b>				
Manish Bajoria	36.15	-		
Manish Bajoria HUF	-	2.34		
Neelam Bajoria	24.70	-		
Meenu Agarwal		29.28		
<b>Remuneration Payable</b>				
Mr. Manish Bajoria	1.94			
Neelam Bajoria	24.56			
<b>Advances Given</b>				
Aman Bajoria		4.26		

**ARC INSULATION AND INSULATORS LIMITED**  
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*Annexure- XXXI*

**STATEMENT OF CAPITALISATION**

**Amount (Rs. In Lakhs, unless otherwise stated)**

PARTICULARS	Pre-Offer 31.10.2024	Post-Offer
<b>Debt</b>		
- Short Term Debt	-	-
- Long Term Debt	173.99	-
<b>Total Debt</b>	<b>173.99</b>	-
<b>Shareholders' Fund (Equity)</b>		
- Share Capital	725.24	-
- Reserves & Surplus	1,400.26	-
- Less: Miscellaneous Expenses not W/off	-	-
<b>Total Shareholders' Fund (Equity)</b>	<b>2,125.50</b>	-
<b>Long Term Debt / Equity (In Ratio)</b>	0.08	-
<b>Total Debt / Equity (In Ratio)</b>	0.08	-

**Notes:-**

1. Short Term Debts represent which are expected to be paid/payable within 12 months and exclude installments of Term Loans repayable within 12 months.
2. Long Term Debts represent debts other than Short Term Debts as defined above but include installments of Term Loans repayable within 12 months grouped under other current liabilities.
3. The figures disclosed above are based on restated statement of Assets and Liabilities of the Company as at 31/10/2024.
4. The post issue capitalization will be determined only after the completion of the allotment of Equity Shares.

**ARC INSULATION AND INSULATORS LIMITED**  
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**OTHER FINANCIAL INFORMATION**

**Annexure- XXXII**

**Amount (Rs. In Lakhs, unless otherwise stated)**

Particulars	As at 31.10.2024	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
Net Worth (A)	2,125.50	1,245.28	634.88	371.08
Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)	744.31	905.23	428.93	113.73
Restated Profit after tax	503.21	610.40	263.81	23.85
Add: Prior Period Item	-	-	-	10.80
Adjusted Profit after Tax(B)	503.21	610.40	263.81	34.65
Number of Equity Share outstanding as on the End of Year/Period (C)	72,52,380	17,13,020	17,13,020	17,13,020
Weighted average no of Equity shares as on the end of the period year(D)				
- Pre Bonus (D(i))	69,10,067	17,13,020	17,13,020	17,13,020
- Post Bonus and after split (D(ii))	69,10,067	68,52,080	68,52,080	68,52,080
Face Value per Share	10.00	10.00	10.00	10.00
Restated Basic & Diluted Earnings Per Share (In Rs.) (B/D)				
- Pre Bonus (B/D(i))	7.28	35.63	15.40	2.02
- Post Bonus and after split (B/D(ii))	7.28	8.91	3.85	0.51
Return on Net worth (%) (B/A)	23.67%	49.02%	41.55%	9.34%
Net asset value per share (A/D(i)) (Pre Bonus) (In Rs.)	30.76	72.69	37.06	21.66
Net asset value per share (A/D(ii)) (Post Bonus and after split) (In Rs.)	30.76	18.17	9.27	5.42

**Notes:-**

1. The ratios have been Computed as per the following formulas

(i) Basic Earnings per Share

Restated Profit after Tax available to equity shareholders

Weighted average number of equity shares outstanding at the end of the year / period

(ii) Net Asset Value (NAV) per Equity Share

Restated Net Worth of Equity Share Holders

Number of equity shares outstanding at the end of the year / period

(iii) Return on Net worth (%)

Restated Profit after Tax available to equity shareholders

Restated Net Worth of Equity Share Holders

2. EBITDA represents Earnings (or Profit/ (Loss)) before Finance Costs, Income Taxes, and Depreciation and Amortization Expenses. Extraordinary and Exceptional Items as reduced by Other Income have been considered in the calculation of EBITDA as they were expense items.

3. Net Profit as restated, as appearing in the Statement of Profit and Losses, has been considered for the purpose of computing the above ratios. These ratios are computed on the basis of the Restated Financial Information of the Company.

4. Earnings per share calculations are done in accordance with Accounting Standard 20 "Earning per Share", issued by the Institute of Chartered Accountants of India.

5. Weighted average number of Equity Shares is the number of Equity Shares outstanding at the beginning of the period adjusted by the number of Equity Shares issued during period multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the period.

6. The company issued 5139060 equity shares of Rs. 10/- each as bonus shares in the ratio of 3:1 (i.e. 3 (Three) Fully paid Bonus Shares of Rs.10/- each will be allotted against the holding of 1 (One) equity shares of the Company) vide EGM resolution passed on 18th September, 2024, effect of this bonus issue has been considered to calculate EPS.

**ARC INSULATION AND INSULATORS LIMITED**  
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*Annexure- XXXIII*

**Restated Statement of Adjustments to Audited Financial Statements**

*Amount (Rs. In Lakhs, unless otherwise stated)*

**(i) Reconciliation of Restated Profit:**

The reconciliation of Profit after tax as per audited financial statements and the Profit after tax as per Restated financial statements is presented below. This summarizes the results of restatements made in the audited accounts for the respective years/ period and its impact on the profit / loss of the company

Particulars	For the period from 01-04-2024 to 31-10-2024	For the year ended 31st March'24	For the year ended 31st March'23	For the year ended 31st March'22
<b>Profit after tax as per audited/ re-audited financial statements</b>	513.64	586.20	68.42	22.05
<b>(i) Adjustments on account of change in accounting policies:</b>	-	-	-	-
<b>(ii) Other material adjustments:</b>	-	-	-	-
Adjustment of Income	0.92	(38.04)	31.41	15.54
Employee benefit expenses	29.69	47.00	49.80	29.07
Cost of Material consumed	(41.95)	(316.84)	67.28	(144.35)
Changes in Inventories of Finished goods	5.46	148.38	(53.98)	36.71
Depreciation and amortization expense	-	(0.70)	(0.52)	3.45
Other expenses	7.52	113.54	180.05	72.69
Fianance Cost	(1.63)	(4.41)	(8.90)	(3.20)
Income tax adjustments	0.00	68.35	(66.96)	(3.93)
Prior period items	-	-	-	(10.80)
Deferred tax adjustment	(10.43)	6.93	(2.80)	6.61
<b>(iii) Audit Qualifications:</b>	-	-	-	-
<b>Restated profit after tax</b>	<b>503.21</b>	<b>610.40</b>	<b>263.81</b>	<b>23.85</b>

**(ii) Reconciliation of Restated Shareholders Funds:**

The reconciliation of Shareholder's funds as per audited financial statements and Shareholder's funds as per Restated financial statements is presented below. This summarizes the results of restatements made in the audited accounts for the respective years/ period and its impact on Shareholder's funds of the company.

Particulars	For the period from 01-04-2024 to 31-10-2024	For the year ended 31st March'24	For the year ended 31st March'23	For the year ended 31st March'22
<b>Shareholder's funds as per Audited/ Re-audited financial statements</b>	<b>2,104.02</b>	<b>1,215.22</b>	<b>442.70</b>	<b>374.29</b>
<b>(i) Adjustments on account of change in accounting policies:</b>	-	-	-	-
<b>(ii) Differences carried over pertaining to changes in Profit/ Loss due to Restated Effect for the period covered in Restated Financial</b>	<b>35.07</b>	<b>10.86</b>	<b>1.80</b>	<b>-</b>
<b>(iii) Differences pertaining to changes in Profit/ Loss due to Restated Effect for the period covered in Restated Financial</b>	<b>(10.43)</b>	<b>24.20</b>	<b>195.39</b>	<b>1.80</b>
<b>(iv) Other material adjustments # :</b>	-	-	-	-
Earlier years Tax expense	(3.16)	(5.01)	(5.01)	(5.01)
<b>(v) Audit Qualifications:</b>	-	-	-	-
<b>Restated Shareholder's funds</b>	<b>2,125.50</b>	<b>1,245.28</b>	<b>634.88</b>	<b>371.08</b>

**ARC INSULATION AND INSULATORS LIMITED**  
**(Formerly Known as ARC INSULATION AND INULATORS PRIVATE LIMITED)**  
**CIN : U18109WB2008PLC129263**

**RESTATED STATEMENT OF TAX SHELTER**

Annexure- XXXIV

Particulars	Amount (Rs. In Lakhs, unless otherwise stated)			
	As at 31.10.2024	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
Net Profit/(Loss) before taxes (A)	672.76	815.85	352.68	28.67
Tax Rate Applicable %	25.17%	25.17%	25.17%	25.17%
<b>Adjustments</b>				
Add: Depreciation as per Companies act	55.08	86.07	72.37	59.26
Add: Gratuity provision	-	4.61	3.93	13.67
Add: Disallowance under Income Tax Act, 1961	-	0.46	0.44	4.37
Less: Depreciation as per Income Tax Act, 1961	84.40	84.48	72.95	60.56
<b>Net Adjustments(B)</b>	<b>(29.32)</b>	<b>6.65</b>	<b>3.80</b>	<b>16.74</b>
<b>Business Income (A+B)</b>	<b>643.44</b>	<b>822.50</b>	<b>356.48</b>	<b>45.41</b>
<b>Gross Total/ Taxable Income</b>	<b>643.44</b>	<b>822.50</b>	<b>356.48</b>	<b>45.41</b>
Less: Deductions U/S 80JJAA				
<b>Net Total/ Taxable Income</b>	<b>643.44</b>	<b>822.50</b>	<b>356.48</b>	<b>45.41</b>
NET TAXABLE INCOME	643.44	822.50	356.48	45.41
Tax Payable as per Normal Rate	161.94	207.01	89.72	11.43
Tax as per Income Tax (C)	161.94	207.01	89.72	11.43
<b>Net Tax</b>	<b>161.94</b>	<b>207.01</b>	<b>89.72</b>	<b>11.43</b>
<b>Current tax as per restated Statement of Profit &amp; Loss</b>	<b>161.94</b>	<b>207.01</b>	<b>89.72</b>	<b>11.43</b>



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**RESTATED STATEMENT OF CONTINGENT LIABILITIES**

**Annexure- XXXV**

<b>Particulars</b>	<b>Amount (Rs. In Lakhs, unless otherwise stated)</b>			
	<b>As at 31.10.2024</b>	<b>As at 31.03.2024</b>	<b>As at 31.03.2023</b>	<b>As at 31.03.2022</b>
Bank Guarantee (Financial)	150.00	-	-	-
Income Tax Demand #	69.14	69.14	69.14	69.14
<b>Total</b>	<b>219.14</b>	<b>69.14</b>	<b>69.14</b>	<b>69.14</b>

# Income Tax Demand includes Outstanding Demand of Rs 60.68 Lakhs (including Rs 12.77 Lakhs of accrued interest) for the A.Y. 2013-14 against which ITAT, Kolkata has passed an order dated 21st October, 2020 stating that "The impugned order of the Ld. CIT(A) on this entire issue relating to addition made by the AO u/s 68 and further enhanced by the Ld. CIT(A) is accordingly set aside and the matter is remitted back to the Ld. CIT(A) for deciding the same fresh in accordance with law after giving the assessee proper and sufficient opportunity of being heard."

Further note that Contingent liability in respect to Income Tax demand is subjected to change in accrued interest.

**ARC INSULATION AND INSULATORS LIMITED**  
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**Restated Statement of Accounting Ratios**

Annexure- XXXVI

Amount (Rs. In Lakhs, unless otherwise stated)

Particulars	NOTES	As at 31.10.2024	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
Current Assets	[A]	1,877.34	1,105.44	1,193.68	687.86
Current Liabilities	[B]	890.74	773.67	886.18	612.99
<b>Current Ratio</b>	[A/B]	<b>2.11</b>	<b>1.43</b>	<b>1.35</b>	<b>1.12</b>
Debt	[A]	173.99	232.76	535.84	409.17
Equity	[B]	2,125.50	1,245.28	634.88	371.08
<b>Debt - Equity Ratio</b>	[A/B]	<b>0.08</b>	<b>0.19</b>	<b>0.84</b>	<b>1.10</b>
Earnings available for debt service	[A]	752.17	943.13	478.69	132.13
Debt Service	[B]	100.95	136.54	115.56	93.61
<b>Debt - Service Coverage Ratio</b>	[A/B]	<b>7.45</b>	<b>6.91</b>	<b>4.14</b>	<b>1.41</b>
Net Profit after Tax	[A]	503.21	610.40	263.81	23.85
Average Shareholder's Equity	[B]	1,685.39	940.08	502.98	361.66
<b>Return on Equity Ratio (%)</b>	[A/B]	<b>29.86%</b>	<b>64.93%</b>	<b>52.45%</b>	<b>6.59%</b>
Cost of Operation	[A]	976.86	1,470.50	1,569.01	844.54
Average Inventory	[B]	583.14	494.57	379.56	310.50
<b>Inventory Turnover Ratio</b>	[A/B]	<b>1.68</b>	<b>2.97</b>	<b>4.13</b>	<b>2.72</b>
Net Sales	[A]	1,887.32	2,845.47	2,398.25	1,154.17
Average Trade Receivables	[B]	771.08	549.31	432.01	205.79
<b>Trade Receivables Turnover Ratio</b>	[A/B]	<b>2.45</b>	<b>5.18</b>	<b>5.55</b>	<b>5.61</b>
Net Purchases	[A]	1,025.89	1,598.61	1,670.93	880.73
Average Trade Payables	[B]	559.59	404.44	330.34	246.22
<b>Trade Payables Turnover Ratio</b>	[A/B]	<b>1.83</b>	<b>3.95</b>	<b>5.06</b>	<b>3.58</b>
Net Sales	[A]	1,887.32	2,845.47	2,398.25	1,154.17
Current Assets		1,877.34	1,105.44	1,193.68	687.86
Current Liabilities		890.74	773.67	886.18	612.99
Working Capital	[B]	986.59	331.77	307.50	74.87
<b>Working Capital Turnover Ratio</b>	[A/B]	<b>1.91</b>	<b>8.58</b>	<b>7.80</b>	<b>15.42</b>
Net Profit	[A]	503.21	610.40	263.81	23.85
Net Sales	[B]	1,887.32	2,845.47	2,398.25	1,154.17
<b>Net Profit Ratio (%)</b>	[A/B]	<b>26.66%</b>	<b>21.45%</b>	<b>11.00%</b>	<b>2.07%</b>
Earning before interest and taxes	[A]	697.09	857.06	406.32	72.87
Capital Employed	[B]	2,252.05	1,401.42	924.89	596.39
Capital Employed = Total Equity + Long term Debt					
<b>Return on Capital Employed (%)</b>	[A/B]	<b>30.95%</b>	<b>61.16%</b>	<b>43.93%</b>	<b>12.22%</b>
Net Return on Investment	[A]	-	-	-	-
Cost of Investment	[B]	239.28	89.17	68.98	31.83
<b>Return on Investment</b>	[A / B]	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>

**ARC INSULATION AND INSULATORS LIMITED**  
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**Restated Statement of Accounting Ratios**

**Annexure- XXXVI**

- Notes:
1. Debt Equity Ratio decreased by 77.85% for the year ended 31.03.2024 as compared to F.Y. 2022-23 due to increase in Equity Fund during the F.Y. 2023-24
  2. Debt Service Coverage Ratio increased by 66.74% for the year ended 31.03.2024 as compared to F.Y. 2022-23 due to increase in Earning available from debt service during the F.Y. 2023-24
  3. Inventory Turnover Ratio decreased by 28.07% for the year ended 31.03.2024 as compared to F.Y. 2022-23 due to increase in Average Inventories during the F.Y. 2023-24
  4. Net Profit Ratio increased by 95.02% for the year ended 31.03.2024 as compared to F.Y. 2022-23 due to increase in Net Profit during the F.Y. 2023-24
  5. Return on Capital Ratio increased by 39.21% for the year ended 31.03.2024 as compared to F.Y. 2022-23 due to increase in Earning before interest & taxes during the F.Y. 2023-24

**\* Figures for the period ended October 30, 2024 are not annualised, these are figures of F.Y. 2023-24 as compared with figures of F.Y. 2022-23**

**No transactions to report against the following disclosure requirements as notified by MCA pursuant to amended Schedule III:**

- a) Crypto Currency or Virtual Currency
- b) Benami Property held under Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder
- c) Registration of charges or satisfaction with Registrar of Companies
- d) Relating to borrowed funds
  - i) Wilful defaulter
  - ii) Utilisation of borrowed funds & share premium
  - iii) Borrowings obtained on the basis of security of current assets
  - iv) Discrepancy in utilisation of borrowings
  - v) Current maturity of long term borrowings

**DISCLOSURE OF TRANSACTIONS WITH STRUCK OFF COMPANIES**

The Company did not have any material transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the financial year.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULT OF OPERATIONS

*You should read the following discussion of our financial condition and results of operations together with our Financial Statements as Restated which is included in this Draft Red Herring Prospectus. The following discussion and analysis of our financial condition and results of operations is based on our Financial Statements as Restated, for the seven months period ended October 31, 2024 and years ended March 31, 2024, 2023 and 2022 including the related notes and reports, included in this Draft Red Herring Prospectus is prepared in accordance with requirements of the Companies Act, 2013 and restated in accordance with the SEBI (ICDR) Regulations, 2018, which differ in certain material respects from IFRS, U.S. GAAP and GAAP in other countries. Our Financial Statements, as restated have been derived from our audited statutory financial statements. Accordingly, the degree to which our Financial Statements as Restated will provide meaningful information to a prospective investor in countries other than India is entirely dependent on the reader's level of familiarity with Indian GAAP, Companies Act, SEBI Regulations and other relevant accounting practices in India.*

*This discussion contains forward looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these Forward-Looking Statements as a result of certain factors such as those described under chapters titled "Risk Factors" and "Forward Looking Statements" beginning on pages 34 and 24, respectively of this Draft Red Herring Prospectus.*

*Our Financial Year ends on March 31 of each year. Accordingly, all references to a particular Financial Year are to the 12 months ended March 31 of that year.*

We are dedicated manufacturer and supplier of Fiber Reinforced Polymers / Glass Fiber Reinforced Polymers ("FRP/GFRP") composite/constituency products. Our offerings include FRP/GFRP Rebars, FRP/GFRP Granting Walkways, FRP/GFRP Pipelines, FRP/GFRP Tubes, FRP/GFRP Fencing for Transformers, FRP/GFRP Cable Trays, and other related products designed for industrial, energy and marine's sectors. In addition to our core business, the company acquired the ongoing business of our promoter, 'M/s ARC Insulation & Insulators,' a sole proprietorship, through a business transfer agreement dated June 01, 2009. Under our brand name "ARC", we supply our products for application in diverse industries including Infrastructure, Power, Cooling Tower, Chemical, Composite, Electrical Substation, Metal & Mining and others.

For more details kindly refer our chapter titled "**Our Business**" on page 138 of this Draft Red Herring Prospectus.

### **Significant Developments Subsequent to The Last Financial Year**

In the opinion of the Board of Directors of our Company, since the date of the last financial statements disclosed in this Draft Red Herring Prospectus, there have not arisen any circumstance that materially or adversely affect or are likely to affect the profitability of our Company or the value of its assets or its ability to pay its material liabilities within the previous twelve months except:

- The company got converted from private to public company vide Certificate of Incorporation pursuant to conversion dated August 5, 2024 and converted its name from "ARC Insulation & Insulators Private Limited" to "ARC Insulation & Insulators Limited" thereon.
- The Company has increased its Authorized Share Capital from 19,00,000 Equity shares of ₹ 10/- each to 1,50,00,000 equity shares of ₹ 10/- each vide resolution passed in its members meeting dated August 07, 2024.
- The Company has issued 51,39,060 fully paid Equity Shares of ₹10/- each pursuant to Bonus Issue allotted on September 18, 2024 vide resolution passed on September 18, 2024.
- Further, The Company has issued 4,00,300 fully paid Equity Shares of ₹10/- each pursuant to Private Placements (Preferential Allotment) allotted on September 30, 2024 vide EGM resolution passed on September 23, 2024.
- The Board of our Company has approved to raise funds through initial public offering in the Board meeting held on September 21, 2024.
- The members of our Company approved proposal of Board of Directors to raise funds through initial public offering in the extra ordinary general meeting held on September 23, 2024.

## Factors Affecting Our Results of Operations

Our company's future results of operations could be affected potentially by the following factors:

1. Raw Material Risk
2. Customer Dependency
3. Manufacturing Capacity
4. Regulatory Risks
5. International Operations Risks
6. Manufacturing and Labor Risks
7. Leadership Dependence
8. Competitive Risks
9. Litigation risks

Our business is subjected to various risks and uncertainties, including those discussed in the section titled '**Risk Factors**' beginning on page 34 of this Draft Red Herring Prospectus. Our results of operations and financial conditions are affected by numerous factors including the following:

## Key Performance Indicators of our Company

The following table set forth certain key performance indicators for the years indicated:

Key Financial Performance	(₹ in Lakhs)			
	For seven months ended October 31, 2024	Financial Year ended March 31, 2024	Financial Year ended March 31, 2023	Financial Year ended March 31, 2022
Revenue from operations <sup>(1)</sup>	1,887.32	2,845.47	2,398.25	1,154.17
EBITDA <sup>(2)</sup>	744.31	905.23	428.93	113.73
EBITDA Margin % <sup>(3)</sup>	39.44	31.81	17.89	9.85
PAT	503.21	610.40	263.81	23.85
PAT Margin % <sup>(4)</sup>	26.66	21.45	11.00	2.07
Net worth <sup>(5)</sup>	2,125.50	1,245.28	634.88	371.08
RoE % <sup>(6)</sup>	29.86	64.93	52.45	6.59
RoCE% <sup>(7)</sup>	36.49	61.85	36.55	6.74

### Notes:

<sup>(1)</sup> Revenue from Operations means the Revenue from Operations as appearing in the Restated Financial Statements

<sup>(2)</sup> EBITDA is calculated as Profit before tax + Depreciation + Finance Costs - Other Income.

<sup>(3)</sup> 'EBITDA Margin' is calculated as EBITDA divided by Revenue from Operations.

<sup>(4)</sup> 'PAT Margin' is calculated as PAT for the period/year divided by revenue from operations.

<sup>(5)</sup> Net worth as defined under Regulation 2(1)(hh) of the SEBI ICDR Regulations means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation

<sup>(6)</sup> Return on Equity is ratio of Profit after Tax and Average Shareholder Equity

<sup>(7)</sup> Return on Capital Employed is calculated as EBIT divided by Average capital employed, which is defined as shareholders' equity plus total debt. Here, EBIT is calculated as Profit before tax + Finance Costs.

## Other Operational Indicators

Particulars	For the seven months ended, October 31, 2024	For financial year ended March 31, 2024	For financial year ended March 31, 2023	For financial year ended March 31, 2022
Total Revenue from Operations (₹ in Lakhs)	1,878.29	2,825.75	2,398.25	1,154.17
Total Actual Production (Tons)	897.33	1334.71	1216.85	671.62
Average Revenue Per Ton (₹ in Lakhs) <sup>(1)</sup>	2.09	2.12	1.97	1.72
Total No of Customers	55	83	77	92

Average Revenue Per Customer (₹ in Lakhs) <sup>(2)</sup>	34.15	34.05	31.15	12.55
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Notes:

(1) Average Revenue per Ton: Total revenue from operations divided by total actual production (tons).

(2) Average Revenue Per Customer: Total revenue from operations divided by total number of customers.

For further detail on Key Performance Indicators of our company, please refer Chapter Titled “**Basis of Offer Price**” on page 110 of this Draft Red Herring Prospectus.

## **STATEMENT OF SIGNIFICANT POLICIES**

### **Corporate Information:**

#### **1. Company Background**

The Company was originally incorporated on September 10, 2008, as a Private Limited Company in the name of “ARC Insulation & Insulators Private Limited” under the provisions of the Companies Act, 1956 bearing Corporate Identification Number U18109WB2008PTC129263 issued by the Deputy Registrar of Companies, West Bengal. Subsequently, pursuant to a Special Resolution of our Shareholders passed in the Extra-Ordinary General Meeting held on June 11, 2024, our Company was converted from a Private Limited Company to Public Limited Company and consequently, the name of our Company was changed to ‘ARC Insulation & Insulators Limited’ and a Fresh Certificate of Incorporation consequent to Conversion was issued on August 5, 2024 bearing Corporate Identification Number U18109WB2008PLC129263 issued by the Registrar of Companies, Central Processing Centre.

The company is engaged in manufacturing and supply of Fiber Reinforced Polymers / Glass Fiber Reinforced Polymers (“**FRP/GFRP**”) composite/constituency products. Our offerings include FRP/GFRP Rebars, FRP/GFRP Granting Walkways, FRP/GFRP Pipelines, FRP/GFRP Tubes, FRP/GFRP Fencing for Transformers, FRP/GFRP Cable Trays, and other related products designed for industrial, energy and marine’s sectors. In addition to our core business, the company acquired the ongoing business of our promoter, ‘M/s ARC Insulation & Insulators,’ a sole proprietorship, through a business transfer agreement dated June 01, 2009. Under our brand name “**ARC**”, we supply our products for application in diverse industries including Infrastructure, Power, Cooling Tower, Chemical, Composite, Electrical Substation, Metal & Mining.

#### **1.1 Basis of preparation of financial statements**

(a) The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the provisions of the Companies Act, 2013 and the Companies (Accounting Standards) Rules 2014, as prescribed. The financial statements have been prepared under the historical cost convention on accrual basis.

(b) The preparation of the financial statements requires management to make estimates and assumption that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

The Restated Financial Information of ARC Insulation & Insulators Limited (formerly, ARC Insulation & Insulators Private Limited) comprise of Restated Statement of Assets and Liabilities as at 31 October, 2024; 31 March, 2024; 31 March, 2023 and 31 March, 2022, the Restated Statement of Profit and Loss, Restated Cash Flow Statement, Significant Accounting Policies to the Restated Financial Information and Notes to the Restated Financial Information. These Restated Financial Information have been prepared by the management of the company for the proposed inclusion in the Draft Red Herring Prospectus (DRHP) prepared by the Company in connection with its proposed Initial Public Offer (“**IPO**”) in terms of the requirements of,

- 1) Section 26 and 28 of Part I of Chapter III of the companies Act, 2013 (“the act”);
- 2) The securities and Exchange Board India (issue of Capital and Disclose Requirements) Regulations, 2018, as amended (“**ICDR Regulations**”)
- 3) The Guidance Note on Reports in company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI), as amended (the “**Guidance Note**”).

These Restated Financial Information have been compiled by the Company's management from Audited Financial Statements of the company as at and for the seven months period ended October 31, 2024 and years ended March 31, 2024, March 31, 2023 and March 31, 2022 prepared in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act, which have been approved by the Board

of Directors at their meetings held on January 07, 2025, September 02, 2024, September 20, 2023 and September 08, 2022 respectively.

These Restated Financial Information have been approved by the Board of Directors of the Company on January 07, 2025.

(c) The preparation of the financial statements requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between the actual results and estimates are recognized in the period in which the results are known / materialize.

### **1.2 Revenue Recognition**

(a) The company generally follows the mercantile system of accounting and recognizes Income & Expenditure on accrual basis.

(b) Revenue is recognised to the extent that it is possible that, the economic benefits will flow to the company and the revenue can be reliably estimated and collectability is reasonably assured.

(c) Revenue from sale of goods & services are recognised when goods/service is fully supplied/provided to our customer and when there are no longer any unfulfilled obligations. The performance obligations in our contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms.

(d) Revenue is measured on the basis of sale price, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the Government such as goods and service tax etc. Accumulated experience is used to estimate the provision for such discounts and rebates. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur.

(e) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

### **1.3 Property, Plant & Equipment and Intangible Assets & Depreciation**

#### **(A) Property, Plant and Equipment**

(a) Property, Plant and Equipment is stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. Cost of acquisition or construction of property, plant and equipment comprises its purchase price including import duties and non-refundable purchase taxes after deducting trade discounts, rebates and any directly attributable cost of bringing the item to its working condition for its intended use.

(b) Subsequent costs are included in the assets' carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance cost are charged to the statement of profit and loss during the period in which they are incurred.

(c) Gains or losses that arise on disposal or retirement of an asset are measured as the difference between net disposal proceeds and the carrying value of property, plant and equipment and are recognised in the statement of profit and loss when the same is derecognised.

#### **(B) Intangible Asset**

Intangible asset purchased are initially measured at cost. The cost of an intangible assets comprises its purchase price including duties and taxes and any costs directly attributable to making the assets ready for their intended use. The useful lives of intangible assets are assessed as either finite or indefinite. Finite-life intangible assets are amortised on a written down value basis over the period of their estimated useful lives.

#### **(C) Depreciation and Amortisation**

Depreciation is calculated on pro rata basis on Written down value method (WDV) based on estimated useful Life as prescribed under Part C of Schedule - II of the Companies Act, 2013. Freehold land is not depreciated.

### **1.4 Impairment of Assets**

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its

recoverable amount. The recoverable amount is the higher of the asset's net selling price and value in use, which is determined by the present value of the estimated future cash flows.

### **1.5 Borrowing Costs**

- (a) Borrowing costs that are directly attributable to the acquisition of qualifying assets are capitalized for the period until the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes substantial period of time to get ready for its intended use.
- (b) Other Borrowing costs are recognized as expense in the period in which they are incurred.

### **1.6. Investments**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as non-current investments.

Current investments or Long-term investments are carried at cost. However, provision for diminutions in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

### **1.7 Inventories**

The inventories are maintained as cost or NRV whichever is lower.

### **1.8 Foreign Currency Transactions**

Foreign exchange transactions are recorded at the rate prevailing on the date of respective transaction. Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of transaction. Exchange differences arising on foreign exchange transactions settled during the year and on restatement as at the balance sheet date are recognized in the statement of profit and loss for the year.

### **1.9 Employee Benefits**

Retirement benefit in the form of provident fund is a defined contribution scheme. The contribution to the provident fund is charged to the statement of profit and loss for the year when an employee renders the related services.

Provision for Gratuity has been considered as per Actuarial valuation report.

Leave encashment to the employees are accounted for as & when the same is claimed by eligible employees.

### **1.10 Taxes on Income**

Tax expense comprises of current tax and deferred tax.

Current income tax is measured at the amount expected to be paid to the tax authorities, computed in accordance with the applicable tax rates and tax laws.

Deferred Tax arising on account of "timing differences" and which are capable of reversal in one or more subsequent periods is recognized, using the tax rates and tax laws that are enacted or substantively enacted. Deferred tax asset is recognized only to the extent there is reasonable certainty with respect to reversal of the same in future years as a matter of prudence.

### **1.11 Government Grants**

Government Grants are recognised where there is reasonable assurance that the company has complied with the conditions attached to them and that the grant will be received. Revenue grants are recognised in the statement of Profit and Loss and are shown under Other Income. Capital grants are recognised in Reserves in case the same is for a project as a whole. If these are for a specific asset, then the same is reduced from the cost of the concerned asset for which it is received.

### **1.12 Provisions and Contingent Liabilities**

- (a) Provision involving substantial degree of estimation in measurements is recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.
- (b) Contingent Liabilities are shown by way of notes to the Accounts in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered not probable.



(c) A Contingent Asset is not recognized in the Accounts.

### **1.13 Earnings per share (EPS)**

(a) Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

(b) For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### **1.14 Segment Reporting**

(a) Business Segments:

Based on the guiding principles given in Accounting Standard 17 (AS - 17) on Segment Reporting issued by ICAI, the Company has only one reportable Business Segment which is engaged in business of manufacturing and supply of Fiber Reinforced Polymers / Glass Fiber Reinforced Polymers (“FRP/GFRP”) composite/constituency products. Accordingly, the figures appearing in these financial statements relate to the Company's single Business Segment.

(b) Geographical Segments:

The Company activities / operations are confined to India and as such there is only one geographical segment. Accordingly, the figures appearing in these financial statements relate to the Company's single geographical segment.

### **1.15 Balance Confirmations**

Balance of Debtors & Creditors & Loans & advances Taken & giving are subject to confirmation and subject to consequential adjustments, if any. Debtors & creditors balance has been shown separately and the advances received and paid from/to the parties is shown as advance from customer and advance to suppliers.

### **1.16 Regrouping**

Previous year's figures have been regrouped and reclassified wherever necessary to match with current year grouping and classification.

### **1.17 Prior Period Items**

Prior Period and Extraordinary items and Changes in Accounting Policies having material impact on the financial affairs of the Company are disclosed in financial statements if any.

## **Discussion on Results of Operation**

The following discussion on results of operations should be read in conjunction with the Restated Financial Results of our Company for the seven months period ended October 31, 2024 and financial years ended on March 31 2024, 2023 and 2022.

## **Results of Our Operations**

The following table sets forth select financial data from our Financial Statements as Restated Profit and Loss for the financial seven months period ended October 31, 2024 and years ended on March 31, 2024, 2023 and 2022 the components of which are also expressed as a percentage of total revenue for such periods:

(₹ in Lakhs)

Particulars	For the seven months period ended 31.10.2024	% of Total income	For the year ended 31.03.2024	% of Total income	For the year ended 31.03.2023	% of Total income	For the year ended 31.03.2022	% of Total income
I. Revenue from Operations	1,887.32	99.59%	2,845.47	98.69%	2,398.25	97.97%	1,154.17	98.43%
II. Other Income	7.86	0.41%	37.90	1.31%	49.76	2.03%	18.39	1.57%
<b>III. Total Income (I + II)</b>	<b>1,895.19</b>	<b>100.00%</b>	<b>2,883.37</b>	<b>100.00%</b>	<b>2,448.01</b>	<b>100.00%</b>	<b>1,172.56</b>	<b>100.00%</b>
<b>IV. Expenses:</b>								
Cost of Material Consumed	982.31	51.83%	1,618.87	56.15%	1,515.04	61.89%	881.25	75.16%
Changes in Inventories of Finished goods	(5.46)	(0.29) %	(148.38)	(5.15) %	53.98	2.20%	(36.71)	(3.13) %
Employee Benefits Expense	81.03	4.28%	107.87	3.74%	98.39	4.02%	84.02	7.17%
Other Expenses	85.13	4.49%	361.87	12.55%	301.91	12.33%	101.08	8.62%
<b>IV. Total Expenses</b>	<b>1,143.02</b>	<b>60.31%</b>	<b>1,940.24</b>	<b>67.29%</b>	<b>1,969.32</b>	<b>80.45%</b>	<b>1,029.64</b>	<b>87.81%</b>
<b>V. Earnings Before Interest, Taxes, Depreciation &amp; Amortization (III-IV)</b>	<b>752.17</b>	<b>39.69%</b>	<b>943.13</b>	<b>32.71%</b>	<b>478.69</b>	<b>19.55%</b>	<b>142.92</b>	<b>12.19%</b>
Finance Costs (VI)	24.33	1.28%	41.21	1.43%	53.64	2.19%	44.20	3.77%
Depreciation and Amortisation Expense (VII)	55.08	2.91%	86.07	2.99%	72.37	2.96%	59.26	5.05%
<b>VIII. Profit before Exceptional Items (V-VI-VII)</b>	<b>672.76</b>	<b>35.50%</b>	<b>815.85</b>	<b>28.29%</b>	<b>352.68</b>	<b>14.41%</b>	<b>39.46</b>	<b>3.37%</b>
IX. Exceptional items & Extraordinary Items- Prior period items	-	0.00%	-	0.00%	-	0.00%	10.80	0.92%
<b>X. Profit/(Loss) before Tax (VIII-IX)</b>	<b>672.76</b>	<b>35.50%</b>	<b>815.85</b>	<b>28.29%</b>	<b>352.68</b>	<b>14.41%</b>	<b>28.67</b>	<b>2.44%</b>
<b>XI. Tax expense:</b>								
Current Tax	161.94	8.54%	207.01	7.18%	89.72	3.66%	11.43	0.97%
Earlier years Tax	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Deferred Tax	7.61	0.40%	(1.56)	(0.05) %	(0.85)	(0.03) %	(6.61)	(0.56) %
<b>XI. Total Tax Expense</b>	<b>169.55</b>	<b>8.94%</b>	<b>205.45</b>	<b>7.13%</b>	<b>88.87</b>	<b>3.63%</b>	<b>4.82</b>	<b>0.41%</b>
<b>XII. Profit (Loss) for the period (X-XI)</b>	<b>503.21</b>	<b>26.56%</b>	<b>610.40</b>	<b>21.17%</b>	<b>263.81</b>	<b>10.78%</b>	<b>23.85</b>	<b>2.03%</b>

## Overview of Revenue and expenditure

### Revenue and Expenditure

**Total Income:** Our total income comprises of revenue from operations and other income.

**Revenue from operations:** Our revenue from operations comprises of Sale of finished goods including Exports and Other Operating Revenue which consist of revenue from freight income.

**Other Income:** Our other income consists of Interest Income, Profit on sale of assets, Foreign Gain and Other Non-Operating Income which includes changes in Gratuity Actuarial Assumption.

**Expenses:** Our expenses comprise of Cost of Material Consumed, Change in Inventories, Employee Benefit Expenses, Finance Cost, Depreciation and Amortisation Expenses and Other Expenses.

**Cost of Raw Material Consumed:** Our Raw Material consumed consists of change in stock of Raw Material, Purchases of Raw materials and Direct Expenses.

**Direct Expenses:** Direct Expenses consists of Consumables, Direct Wages, Power and Fuel, Freight Inward and Other Direct Expenses.

**Changes in Inventories:** Our Changes in Inventories comprises of change in Stock of Finished goods from the beginning of the year to the end of the year.

**Employee Benefit Expenses:** Our employee benefit expense consists of Salaries Wages & Bonus, Contribution to provident and other funds, Director's Remuneration and Gratuity.

**Finance Cost:** Our finance costs comprise of Interest on Bank Loan and bank charges.

**Depreciation and amortisation expenses:** Tangible assets are depreciated over periods corresponding to their estimated useful lives. Depreciation includes depreciation charged on Property, Plant & Equipment & Intangible Assets excluding freehold land.

**Other expenses:** Advertisement & Publicity , Auditor Remuneration, Bad Debt, Balance written off, Bank & Other charges, Business promotion, Business seminar Expenses, Calibration charge, Certification & Inspection Expenses, Commission on sales, Communication expenses, Stores & spares, Computer Expenses, Car Expenses, Discount Allowed, Delivery Expenses, Donation Expenses, Forex Loss (Net), Forex Loss (net), Foreign Tour Expenses, Freight Charges, Fuel Charges, G.P.S Tracking Charges, Gst Reversal Expenses, General Expenses, Insurance expenses, Interest paid on GST, Interest paid on TDS/ TDS demand, Internet Expenses, Legal & Profession Charges, License & Subscription Fee, Loss in Transit, Loss on sale of Fixed assets, Lab Expenses, Market development expenditure amortised, Miscellaneous Expenses, Office Expenses, Other Expenses, Penalty for GST, Postage & Telecommunication, Printing & Stationery, Prior Years Interest Difference, Power and Fuel Expenses, Packing expenses, Rates & Taxes, Rent, Repairs & Maintenance, Research & Development, Roc Fees, Round off, Security Charges, Selling and Administration Expenses, Services expenses, Software Expenses, Spare Parts, Statutory payments, Testing Charges, Travelling and conveyance, Tender expenses.

**Tax Expenses:** Income taxes are accounted for in accordance with Accounting Standard – 22 on “Accounting for Taxes on Income” (“AS-22”), prescribed under the Companies (Accounting Standards) Rules, 2006. Our Company provides for current tax as well as deferred tax, as applicable.

Provision for current taxes is made at the current tax rates after taking into consideration the benefits available to our Company under the provisions of the Income Tax Act, 1961.

Deferred tax arises from the timing differences between book profits and taxable profits that originate in one period and are capable of reversal in one or more subsequent periods and is measured using the tax rates and laws applicable as of the date of the financial statements. Our Company provides for deferred tax asset / liability on such timing differences subject to prudent considerations in respect of deferred tax assets.

### **REVIEW OF OPERATIONS FOR THE SEVEN MONTHS PERIOD ENDED OCTOBER 31, 2024**

#### **Income**

Total Income: Our Total Income of ₹ 1,895.19 lakhs comprises of ₹ 1,887.32 lakhs and ₹ 7.86 lakhs as Revenue from Operations and Other Income respectively.

#### ***Revenue from operations***

Our revenue from operations for the seven months period ended October 31, 2024 was ₹ 1887.32 lakhs which was 99.59% of the total revenue and which comprises of revenue from sale of manufactured goods of FRP/ GFRP Products of ₹ 1878.33 lakhs, which includes ₹1852.95 lakhs as domestic sales and ₹25.38 lakhs as export sales and the residual value of ₹ 9.00 lakhs comprises of other operational income.

#### ***Other Income***

Our other income for the seven months period ended October 31, 2024 was ₹ 7.86 lakhs which was about 0.41 % of the total revenue and which includes Interest Income, foreign exchange gain and other non-operating income which includes changes in Gratuity Actuarial Assumption.

#### ***Expenses***

Our Total Expenses excluding finance cost, depreciation and tax expenses was ₹ 1,143.02 lakhs for the seven months period ended October 31, which comprises the following:

#### ***Cost of Raw Material Consumed***

Our Cost of Materials Consumed was ₹ 982.31 lakhs for the seven months period ended October 31, 2024, which is 51.863% of Total Revenue, which comprises of Purchase of Raw Material of ₹ 904.90 lakhs, Opening Stock of Raw Material of ₹ 307.82 lakhs, Closing Stock of Raw Material of ₹ 351.40 lakhs, Direct Wages of ₹ 30.75 lakhs, Freight Charges of ₹ 27.49 lakhs, Power & Fuel of ₹ 19.28 lakhs, Other Direct Expenses of ₹ 43.47 lakhs.

#### ***Changes in Inventories***

Our Net Increase in Inventory of Finished Goods was ₹ 5.46 lakhs for the seven months period ended October 31, 2024, which is about 0.29 % of Total revenue.

#### ***Employee Benefits Expenses***

Our Employee Benefit Expenses was ₹ 81.03 lakhs for the seven months period ended October 31, 2024, representing 4.28% of Total revenue which comprises of Salary Wages and Bonus, Directors remuneration, Contribution to Provident and Other Fund, Gratuity Expenses.

#### ***Other Expenses***

Our Other Expenses was ₹ 85.13 lakhs for the seven months period ended October 31, 2024, which is 4.49% of the total revenue, which comprises of Advertisement & Publicity, Auditor Remuneration, Business promotion, Certification & Inspection Expenses, Commission on sales, Consumable Goods, Computer Expenses, Delivery Expenses, Freight Charges, General Expenses, Legal & Profession Charges, Miscellaneous Expenses, Office Expenses, Postage & Telecommunication, Printing & Stationery, Power and Fuel Expenses, Repairs & Maintenance, Security Charges, Software Expenses, Statutory payments, Testing Charges, Travelling and conveyance, Tender expenses. The largest portion relates to Business Promotion expenses ₹ 11.27 lakhs, Legal & Professional charges ₹ 17.70 lakhs, Repairs & Maintenance cost of ₹ 17.75 lakhs and Travelling & Conveyance expenses of ₹ 5.94 lakhs

#### ***Earnings before interest, depreciation and taxes***

Our Earnings Before Interest, Depreciation and Taxes for the seven months period ended October 31, 2024 was ₹ 752.17 lakhs, which is about 39.69% of Total revenue.

#### ***Finance Costs***

Our Finance Cost for the seven months period ended October 31, 2024 was ₹ 24.33 Lakhs, which is about 1.28% of Total revenue. It comprises of Interest on Bank loan of ₹ 22.53 Lakhs and Bank charges of ₹ 1.80 Lakhs.

#### ***Depreciation and Amortization Expense***

Our Depreciation and Amortization Expenses was ₹ 55.08 lakhs for the seven months period ended October 31, 2024. Representing 2.91% of Total revenue.

#### ***Exceptional Items***

Our Exceptional Items were Nil for the seven months period ended October 31, 2024.

#### ***Profit Before Tax***

Our Profit/(Loss) before Tax was ₹ 672.76 lakhs for the seven months period ended October 31, 2024, which is around 35.50% of Total revenue.

### **Total Tax Expenses**

Our Total Tax Expenses was ₹ 169.55 lakhs for the seven months period ended October 31, 2024, which is about 8.94% of Total revenue. It comprises of Current year's tax of ₹ 161.94 lakhs and Deferred Tax ₹ 7.61 lakhs.

### **Profit After Tax**

Our Profit/(Loss) was ₹ 503.21 lakhs for the seven months period ended October 31, 2024, which represents 26.56% of Total revenue.

**# The above-mentioned figures of Financial seven months Period Ended on October 31, 2024 are not representing Full FY 2024-25, as figures are not annualised.**

### **COMPARISON OF FY 2023-24 WITH FY 2022-23**

#### **Income**

**Total Income:** Our Total Income increased by ₹ 435.35 lakhs, from ₹ 2448.01 lakhs for the financial year ended March 31, 2023 to ₹ 2883.37 lakhs for the financial year ended March 31, 2024, due to the factors described below:

#### **Revenue from operations**

Our Revenue from operations increased by ₹ 447.22 lakhs, from ₹ 2398.25 lakhs for the financial year ended March 31, 2023 to ₹ 2845.47 lakhs for the financial year ended March 31, 2024, representing a growth of 18.65% on account of addition of new customers, repetitive orders from existing customers and new geographical expansion within the domestic markets. Domestic sales of finished goods had increased to ₹ 2782.26 lakhs in F.Y. 2023-24 as compared to ₹ 2278.45 lakhs in F.Y. 2022-23 on account of business expansion and additional orders executed. For further details please refer **Other Operational Indicators** under **"Basis for Offer Price"** chapter on page 110 of the Draft Red Herring Prospectus.

#### **Other Income**

Our total Other income decreased by ₹ 11.86 lakhs, from ₹ 49.76 lakhs for the financial year ended March 31, 2023, to ₹ 37.90 lakhs for the financial year ended March 31, 2024, representing an decrease of 23.84% due to increase in Interest income from investment and decrease in Profit on Sale of Plant, Property and Equipment including Intangible Assets, Foreign Exchange Fluctuation Gain and Other Non-Operating Income.

#### **Expenses**

Our Total Expenses excluding finance cost, depreciation and tax expenses was ₹ 1940.24 lakhs for the year ended March 31, 2024 as compared to ₹ 1969.32 Lakhs for the financial year March 31, 2023, representing decrease of 1.48% due to the factors described below:

#### **Cost of Raw Material Consumed**

Our Cost of Materials Consumed is increased by ₹ 103.84 lakhs, from ₹ 1515.04 lakhs for the financial year ended March 31, 2023, to ₹ 1618.87 lakhs for the financial year ended March 31, 2024 due to increase in sales during the F.Y 23-24.

#### **Changes in Inventories**

Our Net Change in Inventory of Finished Goods increased by ₹ 202.35 lakhs, from ₹ 53.98 lakhs for the financial year ended March 31, 2023 to ₹ (148.38) lakhs for the financial year ended March 31, 2024, due to increase in closing inventory of finished goods as the closing inventory as on 31.03.2023 was squeezed because of maximum supply of ready to sale goods taken place towards the year's end. Regular Closing stock was restored in the FY 2023-24.

#### **Employee Benefits Expenses**

Our Employee Benefit Expenses increased by ₹ 9.48 lakhs, from ₹ 98.39 lakhs for the financial year ended March 31, 2023, to ₹ 107.87 lakhs for the financial year ended March 31, 2024, representing an increase of 9.64% due to increase in labour workforce due to increase in production.

#### **Other Expenses**

Our Other Expenses increased by ₹ 59.95 lakhs, from ₹ 301.91 lakhs for the financial year ended March 31, 2023, to ₹ 361.87 lakhs for the financial year ended March 31, 2024, which is 12.55% and 12.33% of the total revenue of respective years, representing an increase of 19.86%. This increase in other expenses was primarily attributed to several factors, including increment in commission to ₹ 173.70 lakhs in F.Y. 2023-24 as compared to ₹ 99.85 lakhs in F.Y. 2022-23, Legal & Professional charges from ₹ 3.11 lakhs to ₹ 24.51 lakhs, Office expenses from ₹ 0.68 lakhs to ₹ 10.96 lakhs, testing charges from ₹ 1.00 lakhs to ₹ 11.05 lakhs and freight charges from ₹ 4.02 lakhs to ₹ 13.03 lakhs.

#### **Finance Costs**

Our Finance Cost is decreased by ₹ 12.43 which was ₹ 41.21 lakhs for the year ended March 31, 2024 as compared to ₹ 53.64 Lakhs for the financial year March 31, 2023, due to closure of loans to reduce financial burden.

***Depreciation and Amortization Expense***

Our Depreciation and Amortization Expenses increased by ₹ 13.70 lakhs, from ₹ 72.37 lakhs for the financial year ended March 31, 2023, to ₹ 86.07 lakhs for the financial year ended March 31, 2024, representing an increase of 18.92% due to procurement of new machineries, heavy unit processors to increase production capacity and accordingly depreciation was charged on it.

***Exceptional Items***

Our Exceptional Items are Nil for the financial year ended March 31, 2024.

***Profit Before Tax***

Our Profit/(Loss) before Tax increased by ₹ 463.17 lakhs, from ₹ 352.68 lakhs for the financial year ended March 31, 2023, to ₹ 815.85 lakhs for the financial year ended March 31, 2024, representing a growth of 131.33% on account of continuation of sales to customers with high profit margin along with lower cost of production and better utilisation of production facility. For further details please refer ***Other Operational Indicators*** under “***Basis for Offer Price***“ chapter on page 110 of the Draft Red Herring Prospectus.

***Total Tax Expenses***

Our Tax expenses increased by ₹ 116.58 lakhs, from ₹ 88.87 lakhs for the financial year ended March 31, 2023, to ₹ 205.45 lakhs for the financial year ended March 31, 2024, on account of increase in sales and considerable reduction in cost of goods sold and handling costs, resulting to aim higher profitability.

***Profit After Tax***

Our Profit/(Loss) for the year increased by ₹ 346.59 lakhs, from ₹ 263.81 lakhs for the financial year ended March 31, 2023 to ₹ 610.40 lakhs for the financial year ended March 31, 2024 representing a growth of 131.38%, due to the reasons listed above and expansion of business resulting increase in Profit after tax.

***COMPARISON OF FY 2022-23 WITH FY 2021-22******Income***

Total Income: Our Total Income increased by ₹ 1275.45 lakhs, from ₹ 1172.56 lakhs for the financial year ended March 31, 2022 to ₹ 2448.01 lakhs for the financial year ended March 31, 2023, representing a growth of 108.77% due to the factors described below:

***Revenue from operations***

Our Revenue from operations increased by ₹ 1244.09 lakhs, from ₹ 1154.17 lakhs for the financial year ended March 31, 2022, to ₹ 2398.25 lakhs for the financial year ended March 31, 2023, representing a growth of 107.79% on account of addition of new customers, repetitive orders from existing customers, new geographical expansion and overall business expansion. Domestic sales of finished goods was increased to ₹ 2278.45 lakhs in F.Y. 2023-24 as compared to ₹ 1036.98 lakhs in F.Y. 2022-23 on account of business expansion and company was getting bulk orders as its reputation and brand image was increasing. For further details please refer ***Other Operational Indicators*** under “***Basis for Offer Price***“ chapter on page 110 of the Draft Red Herring Prospectus.

***Other Income***

Our Other income increased by ₹ 31.37 lakhs, from ₹ 18.39 lakhs for the financial year ended March 31, 2022, to ₹ 49.76 lakhs for the financial year ended March 31, 2023, representing a growth of 170.52% on account of increase in interest income from FD, recording of significant Forex Exchange Gain, and written back of liability towards creditors which are no more payable as per the management’s discretion.

***Expenses***

Our Total Expenses excluding of Financial Cost and Depreciation, increased by ₹ 939.68 lakhs, from ₹ 1029.64 lakhs for the financial year ended March 31, 2022, to ₹ 1969.32 lakhs for the financial year ended March 31, 2023, representing a growth of 91.26% due to the factors described below:

***Cost of Materials Consumed***

Our Cost of Materials Consumed increased by ₹ 633.79 lakhs, from ₹ 881.25 lakhs for the financial year ended March 31, 2022 to ₹ 1515.04 lakhs for the financial year ended March 31, 2023, representing a growth of 71.92% due to increase in volume of sales.

***Changes in Inventories***

Our Change in Inventories of Finished Goods decreased by ₹ 90.69 lakhs, from ₹ (36.71) lakhs for the financial year ended March 31, 2022 to ₹ 53.98 lakhs for the financial year ended March 31, 2023, representing a change of 247.03% as maximum supplies of ready to sale goods taken place towards the year’s end.

### **Employee Benefits Expenses**

Our Employee Benefit Expenses increased by ₹ 14.37 lakhs, from ₹ 84.02 lakhs for the financial year ended March 31, 2022 to ₹ 98.39 lakhs for the financial year ended March 31, 2023, representing a growth of 17.11% due to increase in labour workforce and increase in production.

### **Other expenses**

Our Other Expenses increased by ₹ 200.83 lakhs, from ₹ 101.08 lakhs for the financial year ended March 31, 2022 to ₹ 301.91 lakhs for the financial year ended March 31, 2023, representing a growth of 198.69%. This increase in other expenses was primarily attributed to several factors, including increment in commission to ₹ 99.85 lakhs in F.Y. 2022-23 as compared to ₹ 6.02 lakhs in F.Y. 2021-22, Business promotion expenses to ₹ 51.45 lakhs from ₹ 32.99 lakhs, Car expenses by ₹ 10.48, Stores & Spares by ₹ 13.21 lakhs, Freight charges by ₹ 4.02 lakhs, Repairs & maintenance charges from ₹ 7.13 lakhs to ₹ 30.66 lakhs, Travelling & Conveyance expenses from ₹ 2.48 lakhs to ₹ 28.08 lakhs

### **Finance Costs**

Our Finance Cost increased by ₹ 9.44 lakhs, from ₹ 44.20 lakhs for the financial year ended March 31, 2022, to ₹ 53.64 lakhs for the financial year ended March 31, 2023, representing a growth of 21.36% due to taking further loans in order to meet its working capital requirements.

### **Depreciation and Amortization Expense**

Our Depreciation and Amortization Expenses increased by ₹ 13.11 lakhs, from ₹ 59.26 lakhs for the financial year ended March 31, 2022 to ₹ 72.37 lakhs for the financial year ended March 31, 2023, representing increase of 22.13% due to procurement of new machineries, heavy unit processors to increase production capacity and depreciation was charged on it.

### **Exceptional Items**

Gratuity Expenses for earlier Years of ₹10.80 Lakhs was charged during the financial year ended March 31, 2022, there was no exceptional items during the financial year ended March 31, 2023.

### **Profit Before Tax**

Our Profit/(Loss) before Tax increased by ₹ 324.01 lakhs, from ₹ 28.67 lakhs for the financial year ended March 31, 2022 to ₹ 352.68 lakhs for the financial year ended March 31, 2023, representing a growth of 1130.26% on account of continuation of sales to customers with high profit margin along with lower cost of production and better utilisation of production facility with improved Product Mix. For further details please refer **Other Operational Indicators** under **“Basis for Offer Price“** chapter on page 110 of the Draft Red Herring Prospectus.

### **Total Tax Expenses**

Our Total Tax Expenses increased by ₹ 84.06 lakhs, from ₹ 4.82 lakhs for the financial year ended March 31, 2022 to ₹ 88.87 lakhs for the financial year ended March 31, 2023, representing a growth of 1,745.05% on account of increase in overall Gross profit due to increased sales volume and reduction of wastages and overall cost of goods sold resulting in increased net profit.

### **Profit After Tax**

Our Profit/(Loss) for the year increased by ₹ 239.96 lakhs, from ₹ 23.85 lakhs for the financial year ended March 31, 2022 to ₹ 263.81 lakhs for the financial year ended March 31, 2023, representing a growth of 1006.10% mainly due to the matters discussed above.

### **Changes in Cash Flows**

The table below summaries our cash flows from our Restated Financial Statements for the seven months period ended October 31, 2024 and for the financial years ended 2024, 2023 and 2022:

(₹ in Lakhs)

Particulars	For seven months period ended October 31, 2024	For the year ended March 31,		
		2024	2023	2022
Net cash (used in)/ generated from operating Activities	(36.34)	913.05	93.11	243.94
Net cash (used in)/ generated from investing Activities	(253.31)	(536.32)	(168.82)	(125.46)
Net cash (used in)/ generated from financing Activities	316.56	(344.29)	73.02	(117.83)
Net increase/ (decrease) in cash and cash Equivalents	26.91	32.44	(2.69)	0.65
Cash and Cash Equivalents at the beginning of the period	37.09	4.65	7.34	6.69
Cash and Cash Equivalents at the end of the Period**	64.00	37.09	4.65	7.34

\* Cash and Cash Equivalents include cash and bank balances in current and Cash credit accounts.

## Operating Activities

### Seven months period ended October 31, 2024

Our net cash used in operating activities was ₹ 36.34 Lakhs for the Seven months period ended October 31, 2024. Our operating profit before working capital changes was ₹ 746.97 lakhs which was primarily adjusted against an increase in Inventories by ₹ 49.04 Lakhs, increase in Trade Receivable by ₹ 648.66 Lakhs, increase in Short-Term loans & Advances by ₹ 60.51 Lakhs, decrease in Other Current Assets by ₹ 13.22 Lakhs, increase in Trade Payables by ₹ 164.55 Lakhs, increase in Other Current Liabilities by ₹ 28.19 Lakhs and decrease in Short-Term Provision by ₹ 46.48 Lakhs, which was further decreased by payment of Tax Paid during the Year of ₹ 184.59 Lakhs.

### Financial year 2023-24

Our net cash generated from operating activities was ₹ 913.05 Lakhs for the financial year ended March 31, 2024. Our operating profit before working capital changes was ₹ 942.67 lakhs which was primarily adjusted against an increase in Inventories by ₹ 128.11 Lakhs, decrease in Trade Receivable by ₹ 205.13 Lakhs, decrease in Short-Term loans & Advances by ₹ 47.94 Lakhs, increase in Other Current Assets by ₹ 4.29 Lakhs, increase in Trade Payables by ₹ 145.73 Lakhs, decrease in Other Current Liabilities by ₹ 165.27 Lakhs and increase in Short-Term Provision by ₹ 76.24 Lakhs, which was further decreased by payment of Tax Paid during the Year of ₹ 207.01 Lakhs.

### Financial year 2022-23

Our net cash generated from operating activities was ₹ 93.11 Lakhs for the financial year ended March 31, 2023. Our operating profit before working capital changes was ₹ 480.12 lakhs which was primarily adjusted against an increase in Inventories by ₹ 101.92 Lakhs, increase in Trade Receivable by ₹ 439.75 Lakhs, decrease in Short-Term loans & Advances by ₹ 16.17 Lakhs, decrease in Other Current Assets by ₹ 16.98 Lakhs, increase in Trade Payables by ₹ 2.48 Lakhs, increase in Other Current Liabilities by ₹ 129.78 Lakhs and increase in Short-Term Provision by ₹ 78.96 Lakhs, which was further decreased by payment of Tax Paid during the Year of ₹ 89.72 Lakhs.

### Financial year 2021-22

Our net cash generated from operating activities was ₹ 243.94 Lakhs for the financial year ended March 31, 2022. Our operating profit before working capital changes was ₹ 143.16 lakhs which was primarily adjusted against an increase in Inventories by ₹ 36.19 Lakhs, increase in Trade Receivable by ₹ 12.68 Lakhs, decrease in Short-Term loans & Advances by ₹ 19.20 Lakhs, increase in Other Current Assets by ₹ 22.91 Lakhs, increase in Trade Payables by ₹ 165.76 Lakhs, increase in Other Current Liabilities by ₹ 39.04 Lakhs and decrease in Short-Term Provision by ₹ 35.00 Lakhs, which was further decreased by payment of Tax Paid during the Year of ₹ 16.44 Lakhs.

## Investing Activities

### Seven months period ended October 31, 2024

Our net cash used in investing activities was ₹ 253.31 Lakhs for the Seven months period ended October 31, 2024. This was primarily due to Interest Income of ₹ 4.76 Lakhs, Net purchases of Property, Plant & Equipment amounting to ₹ 91.15 Lakhs, Non-Current Investments of ₹ 150.11 Lakhs, Increase in Non-Current Assets by ₹ 16.81 Lakhs.

### Financial year 2023-24

Our net cash used in investing activities was ₹ 536.32 Lakhs for the financial year ended March 31, 2024. This was primarily due to Interest Income of ₹ 4.69 Lakhs, Net purchases of Property, Plant & Equipment amounting to ₹ 200.23 Lakhs, Non-Current Investments of ₹ 20.19 Lakhs, Increase in Non-Current Assets of ₹ 320.58 Lakhs.

### Financial year 2022-23

Our net cash used in investing activities was ₹ 168.82 Lakhs for the financial year ended March 31, 2023. This was primarily due to Interest Income of ₹ 2.28 Lakhs, Net purchases of Property, Plant & Equipment amounting to ₹ 147.44 Lakhs, Non-Current Investments of ₹ 37.15 Lakhs, Decrease in Non-Current Assets of ₹ 13.44 Lakhs.

### Financial year 2021-22



Our net cash used in investing activities was ₹ 125.46 Lakhs for the financial year ended March 31, 2022. This was primarily due to Interest Income of ₹ 1.43 Lakhs, Net purchases of Property, Plant & Equipment amounting to ₹ 89.54 Lakhs, Non-Current Investments of ₹ 6.46 Lakhs, Increase in Non-Current Assets of ₹ 30.89 Lakhs.

## Financing Activities

### Seven months period ended October 31, 2024

Net cash generated from financing activities for the Seven months period ended October 31, 2024, was ₹ 316.56 Lakhs, which was primarily due to Finance cost paid of ₹ 24.33 Lakhs, Repayment of Short-Term Borrowings of ₹ 29.18 Lakhs, Repayment of Long-Term Borrowings of ₹ 29.59 Lakhs, Proceeds from Issue of Share Capital of ₹ 420.32 Lakhs and Issue related expenses of ₹ 20.66 Lakhs.

### Financial year 2023-24

Net cash used in financing activities for the financial year ended March 31, 2024, was ₹ 344.29 Lakhs, which was primarily due to finance cost paid of ₹ 41.21 Lakhs, Repayment of Short-Term Borrowings of ₹ 169.21 Lakhs and Repayment of Long-Term Borrowings of ₹ 133.87 Lakhs.

### Financial year 2022-23

Net cash generated from financing activities for the financial year ended March 31, 2023, was ₹ 73.02 Lakhs, which was primarily due to finance cost paid of ₹ 53.64 Lakhs, Net Proceeds from Short-Term Borrowings of ₹ 61.97 Lakhs and Net Proceeds of Long-Term Borrowings of ₹ 64.69 Lakhs.

### Financial year 2021-22

Net cash used in financing activities for the financial year ended March 31, 2022, was ₹ 117.83 Lakhs, which was primarily due to finance cost paid of ₹ 44.20 Lakhs, Net Proceeds from Short-Term Borrowings of ₹ 3.56 Lakhs and Repayment of Long-Term Borrowings of ₹ 77.18 Lakhs.

## Other Key Ratios

The table below summaries key ratios in our Restated Financial Statements for the seven months period ended October 31, 2024 and years ended March 31, 2024, 2023 and 2022:

Particulars	For seven months period ended October 31, 2024	For the year ended March 31,		
		2024	2023	2022
Fixed Asset Turnover Ratio	2.76	4.40	4.50	2.52
Current Ratio	2.11	1.43	1.35	1.12
Debt Equity Ratio	0.08	0.19	0.84	1.10
Inventory Turnover Ratio	1.68	2.97	4.13	2.72

**Fixed Asset Turnover Ratio:** This is defined as revenue from operations divided by total fixed assets based on Financial Statements as Restated.

**Current Ratio:** This is defined as current assets divided by current liabilities, based on Financial Statements as Restated.

**Debt Equity Ratio:** This is defined as total debt divided by total shareholder funds. Total debt is the sum of long-term borrowings, short-term borrowings and current maturities of long-term debt, based on Financial Statements as Restated.

**Inventory Turnover Ratio:** This is defined as average inventory divided by cost of goods sold based on Financial Statements as Restated.

## Financial Indebtedness

As on October 31, 2024, the total outstanding borrowings of our Company is as below. For further details, refer to the chapter titled “*Statement of Financial Indebtedness*” beginning on page 233 of this Draft Red Herring Prospectus.

Particulars	(₹ in Lakhs)	
	As on October 31, 2024	
Loans from Banks & Financial Institutions		161.65

Loans from Related Party	12.34
<b>Total</b>	<b>173.99</b>

### **Related Party Transactions**

Related party transactions with our promoters, directors and their entities and relatives primarily relate to purchase and sale of products and services. For further information, please refer to the chapter titled “*Financial Statements as Restated*” on page 216 of this Draft Red Herring Prospectus.

### **Off-Balance Sheet Items**

We do not have any other off-balance sheet arrangements, derivative instruments or other relationships with any entity that have been established for the purposes of facilitating off-balance sheet arrangements.

### **Qualitative Disclosure about Market Risk**

#### **Financial Market Risks**

Market risk is the risk of loss related to adverse changes in market prices, including interest rate risk. We are exposed to interest rate risk, inflation and credit risk in the normal course of our business.

#### **Interest Rate Risk**

Our financial results are subject to changes in interest rates, which may affect our debt service obligations and our access to funds.

#### **Effect of Inflation**

We are affected by inflation as it has an impact on the raw material cost, wages, etc. In line with changing inflation rates, we rework our margins so as to absorb the inflationary impact.

#### **Credit Risk**

We are exposed to credit risk on monies owed to us by our customers. If our customers do not pay us promptly, or at all, we may have to make provisions for or write-off such amounts.

#### **Reservations, Qualifications and Adverse Remarks**

Except as disclosed in chapter titled “*Financial Statements as Restated*” beginning on page 216 of this Draft Red Herring Prospectus, there have been no reservations, qualifications and adverse remarks.

Details of Default, if any, including therein the Amount Involved, Duration of Default and Present Status, in Repayment of Statutory Dues or Repayment of Deposits or Repayment of Loans from any Bank or Financial Institution.

Except as disclosed in chapter titled “*Financial Statements as Restated*” beginning on page 216 of this Draft Red Herring Prospectus, there have been no defaults in payment of statutory dues and interest thereon or repayment of deposits and interest thereon or repayment of loans from any bank or financial institution and interest thereon by the Company.

### **FACTORS THAT MAY AFFECT THE RESULTS OF THE OPERATIONS**

#### **a. Unusual or infrequent events or transactions**

There are no transactions or events, which in our best judgment, would be considered unusual or infrequent that have significantly affected operations of the Company.

#### **b. Significant economic changes that materially affected or are likely to affect income from continuing operations**

There are no significant economic changes that materially affected Company’s operations or are likely to affect income from continuing operations. Any slowdown in the growth of Indian economy or future volatility in global commodity prices, could affect the business including the future financial performance, shareholders’ funds and ability to implement strategy and the price of the Equity Shares.

**c. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations**

Other than as disclosed in the chapter titled “*Risk Factors*” beginning on page 34 of this Draft Red Herring Prospectus to our knowledge, there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

**d. Future changes in relationship between costs and revenues in case of events such as future increase in labour or material cost or prices that will cause material change**

According to our knowledge, there are no future relationship between cost and income that would be expected to have a material adverse impact on our operations and revenues. However, increase in the cost of the goods in which the Company deals, will affect the profitability of the Company. Further, the Company may not be able to pass on the increase in prices of the services to the customers in full and this can be offset through cost reduction.

**e. The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased prices**

The increase in revenue is by and large linked to increase in volume of all the activities carried out by the Company.

**f. Total turnover of each major industry segment in which the Issuer Company operates**

Our Company is primarily engaged manufacturing and suppliers of GFRP and FRP products.

Relevant industry data, as available, has been included in the chapter titled “*Industry Overview*” beginning on page 120 of this Draft Red Herring Prospectus.

**g. Status of any Publicly Announced New Business Segments**

Except as disclosed elsewhere in the Draft Red Herring Prospectus, we have not announced and do not expect to announce in the near future any new business segments.

**h. Seasonality of the Business**

The business of our company is not seasonal, hence there is no impact of seasonality on our turnover and operations. However, one of the industries that we cater to, i.e., construction industry slows down its operations typically during monsoon due to unfavourable weather conditions.

**i. Any significant dependence on a single or few suppliers or customers**

We depend on external suppliers for all the raw materials required and typically purchase raw materials on a purchase order basis and place such orders with them in advance based on our projected requirements. As a result, the success of our business is significantly dependent on maintaining good relationships with our suppliers. The absence of long-term supply contracts subjects us to risks such as price volatility caused by various factors viz. commodity market fluctuations, currency fluctuations, climatic and environmental conditions, transportation cost, changes in domestic regulatory changes and trade sanctions. If we cannot fully offset the increase in raw material prices with an increase in the prices for our products, we will experience lower profit margins, which in turn may have a material adverse effect on our results of operations, and financial condition and ultimately lead to a liquidity crunch. In the absence of such contracts, we are also exposed to the risk of unavailability of raw materials in desired quantities and qualities, in a timely manner.

**j. Competitive Conditions**

We face competition from existing and potential organized and unorganized competitors, which is common for any business. We have, over a period, developed certain competitive strengths which have been discussed in section titled “*Our Business*” beginning on page 138 of this Draft Red Herring Prospectus.

## STATEMENTS OF FINANCIAL INDEBTEDNESS

Brief details on the financial indebtedness of the “ARC INSULATION AND INSULATORS LIMITED” as on October 31, 2024 are as under:

### SECURED LOAN FROM BANKS AND FINANCIAL INSTITUTIONS

Name of Lender	Date of Sanction	Purpose	Sanctioned Amount (₹ in lakhs)	Rate of Interest	Primary Securities	Repayment Term (Months)	Outstanding as on 31.10.2024 (₹ in lakhs) (Balances as per books of accounts)
ICICI Bank Limited	18-09-2021	Car Loan	14.60	7.80%	Hypothecation of Car against Loan	60	6.55
ICICI Bank Limited	30-03-2022	Car Loan	10.00	7.50%	Hypothecation of Car against Loan	36	1.83
Hero Finance Corporation Limited	30-04-2019	Corporate Term Loan	160.00	13.00%	Mortgage against land held in name of Manish Bajoria at Mouza- Samali, Police Station- Bishnupur, J.L.No.23, R.S. Khatian Nos.465 and 498, L.R. Khatian No.2298, R.S. and L.R. Dag Nos.86 and 87, District- Parganas South.	72	41.75
Kotak Mahindra Bank Limited	31-05-2022	Loan against Property	128.00	9.85%	Mortgage against property and personal guarantee given by Manish Bajoria	120	111.52
<b>TOTAL:</b>			<b>312.60</b>				<b>161.65</b>

### UNSECURED LOANS FROM RELATED PARTY:

Name of Lender	Relation	Purpose	Outstanding as on 31.10.2024 (₹ in lakhs) (Balances as per books of accounts)
Manish Bajoria	Managing Director	Terms & conditions are not specified	12.34
<b>Total:</b>			<b>12.34</b>

Note : The Company has availed Fund based limit as Cash Credit Limit of Rs 485 Lakhs from State Bank of India along with Non fund based limit of Rs 85 Lakhs of Bank Guarantee & Rs 50 Lakhs of Letter of Credit and Credit exposure limit of ₹ 1.00 lakhs against Hypothecation of stock & book debts, Equitable mortgage of two storied building with RCC & Asbestors roofing factory shed constructed on plot of land measuring 99 decimals, R.S/L.R Dag no. 170 under mouza - Mukundapur, R.S & L.R Dag no. 718 & 719 under mouza ramdevpur at premises bibirhat Mahishgoat Road, Vill - Ramdevpur within the clear ambit of khagramuri Gram Panchayat JL no. 6 & 7, Touzi no. 99 & 14, Pargana Magura, PO - Bawali, RS - 49 & 89, PS & ADSR - Bishnupur, Dist. Parganas South in the name of ARC Insulation & Insulators Ltd. and Personal Guarantee of Manish Bajoria & Neelam Bajoria.

## SECTION X: LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as stated in this section, there are no: (i) criminal proceedings; (ii) actions by statutory or regulatory authorities; (iii) claims relating to direct and indirect taxes; (iv) disciplinary actions including penalties imposed by SEBI or stock exchanges against the Promoter in the last five financial years, including outstanding action; or (v) Material Litigation (as defined below); involving our Company, its Directors and Promoters.*

*Our Board, in its meeting held on September 03, 2024 determined that outstanding legal proceedings involving the Company, its Directors and Promoter will be considered as material litigation (“Material Litigation”) if the aggregate amount involved in such individual litigation exceeds ₹ 10,00,000, as per the last restated financial statements of the Company or such litigations outcome could have a material impact on the business, operations, prospects or reputations of the Company.*

*The Company has a policy for identification of Material Outstanding Dues to Creditors in terms of the SEBI (ICDR) Regulations, 2018 as amended for creditors where outstanding dues to any one of them exceed ₹ 10,00,000 of the Company’s trade payables as per the last restated financial statements.*

#### **A. LITIGATION INVOLVING THE COMPANY**

##### **(a) Criminal proceedings against the Company**

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated against the Company.

##### **(b) Criminal proceedings filed by the Company**

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated by the Company.

##### **(c) Other pending material litigations against the Company**

As on the date of this Draft Red Herring Prospectus, there is no outstanding material litigation initiated against the Company.

##### **(d) Other pending material litigations filed by the Company**

As on the date of this Draft Red Herring Prospectus, there are no outstanding material litigation initiated by the Company.

##### **(e) Actions by statutory and regulatory authorities against the Company**

As on the date of this Draft Red Herring Prospectus, there are no outstanding actions by statutory or regulatory authorities initiated against the Company.

#### **B. LITIGATIONS INVOLVING THE PROMOTERS & DIRECTORS OF THE COMPANY**

##### **(a) Criminal proceedings against the Promoters & Directors of the Company**

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated against the Promoters & Directors of the Company.

##### **(b) Criminal proceedings filed by the Promoters & Directors of the Company**

Our Director, Mr. Manish Bajoria, has initiated criminal proceedings under Section 200 of the Code of Criminal Procedure, 1973 (**Case No. 2112 of 2021**) before the Learned Additional Chief Judicial Magistrate at Alipur against Mr. Dilip Mandal and Mrs. Kiran Mandal. Initially, a complaint was lodged at the local police station under Sections 420, 406, and 120B of the Indian Penal Code (IPC), alleging cheating, criminal breach of trust, and conspiracy. However, as no resolution was reached through the police investigation, our Director subsequently filed a formal complaint with the court under Sections 156(3) and 200 of the Criminal Procedure Code, seeking judicial intervention and an investigation into the matter. The case pertains to the unpaid dues for fiberglass

materials supplied by the company during FY 2018-19, amounting to ₹17,70,593. The defendants made partial payments totalling ₹12,85,432, leaving an outstanding balance of ₹4,85,160. Despite issuing a demand notice on June 12, 2021, the defendants have failed to settle the remaining amount which after including the interest at 18% p.a., stands at ₹7,56,490. A civil case in the matter has also been filed in the civil court and is pending adjudication as mentioned later under the heading “ **Other pending material litigations filed by the Promoters & Directors of the Company**”.

**(c) Other pending litigations against the Promoters & Directors of the Company**

As on the date of this Draft Red Herring Prospectus, there are no other pending litigations initiated against the Promoters & Directors..

**(d) Other pending material litigations filed by the Promoters & Directors of the Company**

Our Director, Mr. Manish Bajoria, has initiated legal proceedings under Section 151 of the Civil Procedure Code (CPC) (**Case No. 428 of 2021**) before the Learned Civil Judge, Senior Division at Alipur, for the recovery of ₹7,56,490 against Mr. Dilip Mandal and Mrs. Kiran Mandal. The case pertains to unpaid dues for fiberglass materials supplied by the company during FY 2018-19, amounting to ₹17,70,593. The defendants made partial payments totalling ₹12,85,432, leaving an outstanding balance of ₹4,85,160. Despite issuing a demand notice on June 12, 2021, the defendants failed to clear the remaining dues. The total claim, including the principal amount and interest at 18% p.a., stands at ₹7,56,490 as of the date of filing. The suit is currently pending adjudication.

**(e) Actions by statutory and regulatory authorities against the Promoters & Directors of the Company**

As on the date of this Draft Red Herring Prospectus, there are no outstanding actions initiated by the statutory and regulatory authorities against the Promoters & Directors.

**(f) Disciplinary actions including penalties imposed by SEBI or stock exchanges against the Promoters in the last five financial years, including outstanding action**

As on the date of this Draft Red Herring Prospectus, there are no outstanding actions by SEBI or stock exchanges against the Promoters, nor any penalties have been imposed in the last five years.

**C. LITIGATIONS INVOLVING THE SUBSIDIARY/ GROUP COMPANY OF THE COMPANY**

**(a) Criminal proceedings against the Subsidiary/ Group company of the Company**

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated against the Subsidiary/ Group company of the Company.

**(b) Criminal proceedings filed by the Subsidiary/Group company of the Company**

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated by the Subsidiary/ Group company of the Company.

**(c) Other pending material litigations against the Subsidiary/Group company of the Company**

As on the date of this Draft Red Herring Prospectus, there are no outstanding litigations initiated against the Subsidiary/ Group company, which have been considered material by the Company in accordance with the Materiality Policy.

**(d) Other pending material litigations by the Subsidiary/Group company of the Company**

As on the date of this Draft Red Herring Prospectus, there are no outstanding litigations initiated by the Subsidiary/ Group company, which have been considered material by the Company in accordance with the Materiality Policy.

**(e) Actions by statutory and regulatory authorities against the Subsidiary/ Group company of the Company**

As on the date of this Draft Red Herring Prospectus, there are no outstanding actions by statutory or regulatory authorities initiated against the Subsidiary/ Group company of the Company.

**D. TAX PROCEEDINGS**

Nature of Proceedings	Number of cases	Amount involved* (₹ in lakh)	Status (Description)
<b>Of the Company</b>			
Direct Tax (Income Tax) Outstanding Demand	4	69.14	<ol style="list-style-type: none"> <li>1. Outstanding Demand of ₹ 47,89,790 with accrued interest of ₹ 12,77,280 has been raised on December 13, 2018 u/s 250 of the Income Tax Act, 1961 for the AY 2013-14. Against the Assessment, the Company filed an appeal before Commissioner Income Tax-Appeal, which was rejected vide order dated September 28, 2018. The impugned order of the Ld. CIT(A) on this entire issue relating to addition made by the AO u/s 68 and further enhanced by the Ld. CIT(A) is accordingly set aside and the matter is remitted back to the Ld. CIT(A) for deciding the same afresh in accordance with law after giving the assessee proper and sufficient opportunity of being heard.</li> <li>2. Outstanding Demand of ₹ 8,950 with accrued interest of ₹ 1,480 has been raised on April 16, 2020 u/s 143(1)(a) of the Income Tax Act, 1961 for the AY 2019-20.</li> <li>3. Outstanding Demand of ₹ 6,44,625 with accrued interest of ₹ 16,71,25 has been raised on January 10, 2019 u/s 143(1)(a) of the Income Tax Act, 1961 for the AY 2017-18</li> <li>4. Outstanding Demand of ₹ 20,160 with accrued interest of ₹ 4,160 u/s 143(1)(a) of the Income Tax Act, 1961 for the AY 2018-19.</li> </ol>
Income Tax e-proceedings	Nil	Nil	Nil
Direct Tax (TDS)	15	6.03	TDS Default
Indirect Tax (GST)	Nil	Nil	Nil
<b>Of the Promoters and Directors</b>			
Manish Bajoria (Income Tax) Outstanding Demand	1	1.00	<ol style="list-style-type: none"> <li>1. Outstanding Demand of ₹ 1,00,197 with accrued interest of ₹ 26,307 has been raised on March 20, 2013 u/s 143(1)(a) for the AY 2011-12.</li> <li>2. Outstanding Demand of ₹ 370 has been raised on 30-December 30, 2024 u/s 143(1)(a) for the AY 2024.</li> </ol>
Neelam Bajoria (Income Tax) Outstanding Demand	2	0.45	<ol style="list-style-type: none"> <li>1. Outstanding demand of ₹ 29,292 with accrued interest of ₹ 13,272 has been raised on March 18, 2013 u/s 143(1)(a) for the AY 2011.</li> <li>2. Outstanding demand of ₹ 1,678 with accrued interest of ₹ 408 has been raised on February 26, 2022 u/s 143(1)(a) for the AY 2021.</li> </ol>
Ashish Bajoria (Income Tax)	Nil	Nil	Nil
Chetna Gupta (Income Tax)	Nil	Nil	Nil
Suruchi Jain Virendra Kumar Jain	Nil	Nil	Nil
Swabhumi Distributors Private Limited (Income Tax)	Nil	Nil	Nil
Manish Bajoria HUF	1	0.42	<ol style="list-style-type: none"> <li>1. One defective notice was received u/s 139(9) dated May 10, 2017 for the AY 2016-17. The ITR form filed has claimed a refund of ₹ 41, 860 which has been found defective by the GST department. The HUF has not filed a reply.</li> </ol>

**E. AMOUNTS OWED TO SMALL SCALE UNDERTAKINGS AND OTHER CREDITORS:**

The Board of Directors of our Company considers dues exceeding ₹ 10,00,000 as per our Restated Financial Statements, to small scale undertakings and other creditors as material dues for our Company. Our Board of Directors considers dues owed by our Company to the creditors exceeding ₹ 10,00,000 as per our last restated financial statements as material dues for the Company. The trade payables for the seven months period ended on October 31, 2024 were ₹ 641.86 lakh. Accordingly, a creditor has been considered 'material' if the amount due to such creditor exceeds ₹ 10,00,000. This materiality threshold has been approved by our Board of Directors pursuant to the resolution passed on September 03, 2024. Based on these criteria, details of outstanding dues owed as on October 31, 2024 by our Company on are set out below:

(₹ in lakhs)		
Types of creditors	Number of creditors	Amount involved
A. Micro, small and medium enterprises	Nil	Nil
B. Other Creditors	148	641.86
<b>Total (A+B)</b>	148	641.86
C. Material Creditors	08	572.88

The details pertaining to net outstanding dues towards our material creditors as on October 31, 2024 (along with the names and amounts involved for each such material creditor) are available on the website of our Company at [www.arcinsulations.com](http://www.arcinsulations.com). It is clarified that such details available on our website do not form a part of this Draft Red Herring Prospectus.

**F. MATERIAL DEVELOPMENTS OCCURRING AFTER LAST BALANCE SHEET DATE:**

Except as disclosed in Chapter titled *“Management’s Discussion & Analysis of Financial Conditions & Results of Operations”* beginning on page 217 of this Draft Red Herring Prospectus, there have been no material developments that have occurred after the Last Balance Sheet date



## GOVERNMENT AND OTHER APPROVALS

*Except as mentioned below, our Company has received the necessary consents, licences, permissions, registrations and approvals from the Central and State Governments and other government agencies/ regulatory authorities/ certification bodies required to undertake the Offer or continue our business activities and no further approvals are required for carrying on our present or proposed business activities. It must, however, be distinctly understood that in granting the above approvals, the Government of India and other authorities do not take any responsibility for the financial soundness of our Company or for the correctness of any of the statements or any commitments made or opinions expressed in this behalf. Unless otherwise stated, these approvals are all valid as of the date of this Draft Red Herring Prospectus.*

*For details in connection with the regulatory and legal framework within which we operate, see the section titled “**Key Industrial Regulations and Policies**” at page 169 of this Draft Red Herring Prospectus. The main objects clause of the Memorandum of Association of our Company and the objects incidental, enable our Company to carry out its activities.*

*The Company has got following licenses/ registrations/ approvals/ consents/ permissions from the Government and various other Government agencies required for its present business.*

### I. APPROVALS FOR THE OFFER

The following approvals have been obtained in connection with the Issue:

#### *Corporate Approvals*

- a) The Board of Directors have, pursuant to Section 62(1)(c) of the Companies Act, 2013, by a resolution passed at its meeting held on September 21, 2024 authorized the Offer, subject to the approval of the shareholders and such other authorities as may be necessary.
- b) The shareholders of our Company have, pursuant to Section 62(1)(c) of the Companies Act, 2013, by a Special Resolution passed in the Extra Ordinary General Meeting held on September 23, 2024 authorized the Offer.
- c) Our Board approved the Draft Red Herring Prospectus pursuant to its resolution dated January 20, 2025.
- d) Our Board approved the Red Herring Prospectus pursuant to its resolution dated [●].
- e) Our Board approved the Prospectus pursuant to its resolution dated [●].

#### *Approval from the Stock Exchange*

In-principle approval dated [●] from NSE for using the name of the Exchange in the offer documents for listing of the Equity Shares on SME Platform of NSE, issued by our Company pursuant to the Offer.

#### *Agreements with NSDL and CDSL*

- a) The company has entered into an agreement dated July 15, 2024 with the Central Depository Services (India) Limited (“CDSL”) and the Registrar and Transfer Agent, who in this case is, Maashitla Securities Private Limited for the dematerialization of its shares.
- b) Similarly, the Company has also entered into an agreement dated June 25, 2024 with the National Securities Depository Limited (“NSDL”) and the Registrar and Transfer Agent, who in this case is Maashitla Securities Private Limited for the dematerialization of its shares.
- c) The International Securities Identification Number (ISIN) of our Company is INE0YDV01010.

#### *Lenders’ No Objection Certificate (NOC)*

1. NOC Letter from State Bank of India (SBI) dated September 27, 2024 received.
2. NOC Letter from Kotak Mahindra Bank dated November 12, 2024 received.

## II. APPROVALS PERTAINING TO INCORPORATION, NAME AND CONSTITUTION OF OUR COMPANY

Sr. No.	Nature of Registration	CIN	Applicable Laws	Issuing Authority	Date of Certificate	Date of Expiry
1.	Certificate of Incorporation of 'ARC Insulation & Insulators Private Limited'	U18109WB2008PTC129263	The Companies Act, 1956	Registrar of Companies, West Bengal	September 10, 2008	Valid Until Cancelled
2.	Certificate of Incorporation on change of name from 'ARC Insulation & Insulators Private Limited' to 'ARC Insulation & Insulators Limited'	U18109WB2008PLC129263	The Companies Act, 2013	Registrar of Companies, Central Processing Centre	August 05, 2024	Valid Until Cancelled

## III. OTHER APPROVALS

We require various approvals and/ or licences under various rules and regulations to conduct our business. Some of the material approvals required by us to undertake our business activities are set out below:

### A. TAX RELATED APPROVALS:

Sr. No.	Description	Certificate is in the name of	Registration number	Applicable laws	Authority	Date of Certificate	Date of Expiry
1.	Permanent Account Number (PAN)	Arc Insulation & Insulators Limited	AAHCA6355Q	Income Tax Act, 1961	Income Tax Department, Government of India	September 10, 2008	Valid Until Cancelled
2.	Tax Deduction Account Number (TAN)	Arc Insulation & Insulators Private Limited	CALA11925E	Income Tax Act, 1961	Income Tax Department, Government of India	Screenshot taken from the e-Filing Portal	Valid Until Cancelled
3.	Certificate of Registration of Goods and Services Tax (West Bengal)	Arc Insulation & Insulators Private Limited	19AAHCA6355Q1ZX	The West Bengal Goods and Services Tax Act, 2017	Directorate of Commercial Taxes, Government of West Bengal	October 12, 2022 w.e.f. July 01, 2017	Valid Until Cancelled
4.	Certificate of Enrolment of Profession Tax (West Bengal)	Arc Insulation & Insulators Limited	192036976566	The West Bengal State Tax on Professions, Trades, Calling and Employ	WB Central Unit-VII, Baruipur, Directorate of Commercial Taxes, Governme	September 11, 2015	Valid Until Cancelled

Sr. No	Description	Certificate is in the name of	Registration number	Applicable laws	Authority	Date of Certificate	Date of Expiry
				ent Act, 1979	nt of West Bengal		
5.	Certificate of Registration of Profession Tax (West Bengal)	Arc Insulation & Insulators Limited	191010989427	The West Bengal State Tax on Professions, Trades, Calling and Employment Act, 1979	WB Central Unit-VII, Baruipur, Directorate of Commercial Taxes, Government of West Bengal	Issued on July 04, 2024 w.e.f. April 01, 2021	Valid Until Cancelled

**B. BUSINESS OPERATIONS RELATED APPROVALS:**

Sr. No	Description	Certificate is in the name of	Registration number	Applicable laws	Authority	Date of Certificate	Date of Expiry
1.	Udyam Registration Certificate	Arc Insulation & Insulators Limited	UDYAM-WB-18-0003086	MSME Development Act, 2006	Ministry of Micro Small & Medium Enterprises, Government of India	January 27, 2021	Valid Until Cancelled
2.	Legal Entity Identifier Certification	Arc Insulation & Insulators Limited	335800TC5NDE7G4QIW90	RBI Guidelines	RBI	September 25, 2024	September 25, 2025
3.	Certificate of Importer-Exporter Code (IEC)	Arc Insulation & Insulators Private Limited	0209004533	The Foreign Trade (Development and Regulation) Act, 1992	Director General of Foreign Trade, Ministry of Commerce and Industry, Government of India	Issued on June 08, 2009 Last modified on November 11, 2021	Valid Until Cancelled
4.	Registration and Licence to work a Factory at Sanju	Arc Insulation & Insulators	0261/TP(S)/X/2024/24258/19	Factories Act, 1948	Directorate of Factories, Labour	November 19, 2024	December 31, 2027

Sr. No	Description	Certificate is in the name of	Registration number	Applicable laws	Authority	Date of Certificate	Date of Expiry
	Mahashatla Main Road, Ramdevpur, Po-Bawali Bishnupur 2, Parganas South, Bishnupur, West Bengal, India, 743384	Private Limited			Department, Government of West Bengal		
5.	Consent to Operate the Factory at Sanju Mahashatla Main Road, Ramdevpur, Po-Bawali Bishnupur 2, Parganas South, Bishnupur, West Bengal, India, 743384	Arc Insulation & Insulators Private Limited	CO120133	Section 25 and 26 of the Water (prevention and control of pollution) Act, 1974, Section 21 of the Air (Prevention and control of Pollution) Act, 1981	West Bengal Pollution Control Board	June 22, 2022	August 31, 2026
6.	Certificate of Stability of Factory or Part of Factory	Arc Insulation & Insulators Limited	BC/ARCI & IL/CS/11/24-25/001	Factory Rules Act, 1958	B. Chowdhury B.M.E. (JU), Chartered Engineer, A.M.I.E.	November 21, 2024	Valid Until Cancelled
7.	Permission under Electricity Act/ Load Sanction of 150KVA	Arc Insulation & Insulators Private Limited	Consumer ID: 941170000	Electricity Act, 2003	West Bengal State Electricity Distribution Company Limited	Bill Date May 03, 2024	Valid Until Cancelled
8.	Registration under Legal Metrology (Packaged Commodities)						
i)	Weighs and Measurement Certificates- Non-Automatic Weighing	Arc Insulation & Insulators Limited	WB/16/0080 /2024/001023	Legal Metrology Act, 2009	Office of the Controller Legal Metrology, Governme	November 22, 2024	November 22, 2025

Sr. No	Description	Certificate is in the name of	Registration number	Applicable laws	Authority	Date of Certificate	Date of Expiry
	Instruments - Electronic Serial Number : STL-14-27 Medium III CITIZEN WEIGHING SYSTEMS Portable Single Interval				nt of West Bengal		
ii)	Weighs and Measurement Certificates- Non-Automatic Weighing Instruments - Electronic Serial Number : QF30171 Medium III SATWIK SCALE INDUSTRIES Portable Single Interval	Arc Insulation & Insulators Limited	WB/16/0080 /2024/001030	Legal Metrology Act, 2009	Office of the Controller Legal Metrology, Government of West Bengal	November 22, 2024	November 22, 2025
	Weighs and Measurement Certificates- Non-Automatic Weighing Instruments - Electronic Serial Number : E606211637 High II ACZET PVT LTD Portable Single Interval	Arc Insulation & Insulators Limited	WB/16/0080 /2024/001024	Legal Metrology Act, 2009	Office of the Controller Legal Metrology, Government of West Bengal	November 22, 2024	November 22, 2025

Sr. No	Description	Certificate is in the name of	Registration number	Applicable laws	Authority	Date of Certificate	Date of Expiry
iii)	Weighs and Measurement Certificates- Non-Automatic Weighing Instruments - Electronic Serial Number : 20221812 Medium III RAJLAXMI INDUSTRIES Portable Single Interval	Arc Insulation & Insulators Limited	WB/16/0080 /2024/001031	Legal Metrology Act, 2009	Office of the Controller Legal Metrology, Government of West Bengal	November 22, 2024	November 22, 2025
iv)	Weighs and Measurement Certificates- Non-Automatic Weighing Instruments - Electronic Serial Number : 173445 Medium III K STAR WEIGHING Portable Multi Interval	Arc Insulation & Insulators Limited	WB/16/0080 /2024/001028	Legal Metrology Act, 2009	Office of the Controller Legal Metrology, Government of West Bengal	November 22, 2024	November 22, 2025
v)	Weighs and Measurement Certificates- Non-Automatic Weighing Instruments - Electronic Serial Number : 4358/15 Medium III	Arc Insulation & Insulators Limited	WB/16/0080 /2024/001026	Legal Metrology Act, 2009	Office of the Controller Legal Metrology, Government of West Bengal	November 22, 2024	November 22, 2025

Sr. No	Description	Certificate is in the name of	Registration number	Applicable laws	Authority	Date of Certificate	Date of Expiry
	VISHWAKAR MA SCALE CO Portable Multi Interval						
vi)	Weighs and Measurement Certificates- Non- Automatic Weighing Instruments - Electronic Serial Number : 4162/15 Medium III VISHWAKAR MA SCALE CO Portable Multi Interval	Arc Insulation & Insulators Limited	WB/16/0080 /2024/00102 7	Legal Metrology Act, 2009	Office of the Controller Legal Metrology, Governme nt of West Bengal	Novem ber 22, 2024	Novem ber 22, 2025
vii )	Weighs and Measurement Certificates- Non- Automatic Weighing Instruments - Electronic Serial Number : 3736/B Medium III BHUPATRAI MANILAL GROUP (BMG BRAND) Portable Multi Interval	Arc Insulation & Insulators Limited	WB/16/0080 /2024/00102 9	Legal Metrology Act, 2009	Office of the Controller Legal Metrology, Governme nt of West Bengal	Novem ber 22, 2024	Novem ber 22, 2025
vii i)	Weighs and Measurement Certificates-	Arc Insulation &	WB/16/0080 /2024/00102 5	Legal Metrology Act, 2009	Office of the Controller	Novem ber	Novem ber

Sr. No	Description	Certificate is in the name of	Registration number	Applicable laws	Authority	Date of Certificate	Date of Expiry
	Non-Automatic Weighing Instruments - Electronic Serial Number : 5385/15 Medium III VISHWAKAR MA SCALE CO Portable Multi Interval	Insulators Limited			Legal Metrology, Government of West Bengal	22, 2024	22, 2025

**C. LABOUR LAW RELATED APPROVALS:**

Sr. No	Description	Certificate is in the name of	Registration number	Applicable laws	Authority	Date of Certificate	Date of Expiry
1	Registration under Employees' Provident Funds	Arc Insulation & Insulators Private Limited	WBCAL0060939000	Employees (Provident Fund and Miscellaneous Provisions) Act, 1952	Employees' Provident Fund Organisation	Verified from EPFO portal	Valid until Cancelled
2	Employees' State Insurance Registration	Arc Insulation & Insulators Private Limited	41000295020000910	Employees' State Insurance Act, 1948	Employees' State Insurance Corporation	Verified from ESI portal	Valid until Cancelled
3	Labour Identification Number (LIN) Certification	Arc Insulation & Insulators Private Limited	1-2313-4016-3	Labour Laws	Ministry of Labour and Employment	April 05, 2016	Valid until Cancelled

**D. QUALITY CERTIFICATIONS:**



Sr. No.	Nature of Registration	Certificate is in the name of	Certificate No.	Issuing Authority	Date of Issue	Date of Expiry
1.	Certificate for Quality Management System of the Company under ISO 9001:2015 with the following scope: "Manufacture and Supply of FRP/Fiber Glass Reinforcement Composite Plastic and Allied Products"	Arc Insulation & Insulators Private Limited	UCSPL8024I02721	Universal Certification Services Private Limited	November 08, 2024	November 07, 2027

#### E. APPROVALS OBTAINED IN RELATION TO INTELLECTUAL PROPERTY RIGHT (IPR)


As on the date of the DRHP, the Company does not have any IPR registered in its name. However, it has applied for registration, details of which are provided in Section IV below.

#### F. THE DETAILS OF DOMAIN NAME REGISTERED ON THE NAME OF THE COMPANY:




Sr. No.	Domain Name	Name of Registrar/ IANA ID	Creation Date	Expiry Date
1.	arcinsulations.com	PDT Ltd/303	November 21, 2002	November 25, 2025

#### IV. APPROVALS OR LICENCES APPLIED BUT NOT RECEIVED:

Sr. No.	Description	Application is in the name of	Application number	Applicable laws	Authority	Date of Application
1.	NOC from Fire Department	Currently in the name of "ARC Insulation & Insulators Private Limited", applied for name change to "ARC Insulation & Insulators Limited"	WBFL/5958/2018	Section 12, West Bengal Fire Services Act, 1950	Fire License Section, Government of West Bengal	March 22, 2024
2.	NOC from Lender - Hero Fincorp Limited	ARC Insulation & Insulators Limited	Application sent via email on September 20, 2024	Issue of Capital and Disclosure Requirements (ICDR) Regulations, 2018	Hero Fincorp Limited	September 20, 2024

Sr. No.	Description	Application is in the name of	Registration Number/Mark/Label/ Application Number	Class	Applicable Laws	Issuing Authority	Date of Application	Status
1.	Registration for	Arc Insulation & Insulator	6622120 	17	Trade Marks Act, 1999	Trade Mark Registry, Mumbai	September 13, 2024	Formalities Chk Pass

	Trade Mark	s Limited						
2.	Registration for Trade Mark	Arc Insulation & Insulators Limited		17#	Trade Marks Act, 1999	Trade Mark Registry, Mumbai	January 13, 2025	Applied
3.	Registration for Trade Mark	Arc Insulation & Insulators Limited		19#	Trade Marks Act, 1999	Trade Mark Registry, Mumbai	January 13, 2025	Applied
4.	Registration for Trade Mark	Arc Insulation & Insulators Limited		35#	Trade Marks Act, 1999	Trade Mark Registry, Mumbai	January 13, 2025	Applied
5.	Registration for Trade Mark	Arc Insulation & Insulators Limited		17#	Trade Marks Act, 1999	Trade Mark Registry, Mumbai	January 13, 2025	Applied
6.	Registration for Trade Mark	Arc Insulation & Insulators Limited		19#	Trade Marks Act, 1999	Trade Mark Registry, Mumbai	January 13, 2025	Applied
7.	Registration for Trade Mark	Arc Insulation & Insulators Limited		35#	Trade Marks Act, 1999	Trade Mark Registry, Mumbai	January 13, 2025	Applied

8.	Registration for Trademark	Arc Insulation & Insulators Limited		17#	Trade Marks Act, 1999	Trade Mark Registry, Mumbai	January 13, 2025	Applied
9.	Registration for Trademark	Arc Insulation & Insulators Limited		19#	Trade Marks Act, 1999	Trade Mark Registry, Mumbai	January 13, 2025	Applied
10.	Registration for Trademark	Arc Insulation & Insulators Limited		35#	Trade Marks Act, 1999	Trade Mark Registry, Mumbai	January 13, 2025	Applied
<p><b>#Note:</b> The said trademark has been Applied on January 13, 2025. So, there is no application numbers have been issue for These Trademark</p>								

**V. APPROVALS OR LICENCES YET TO BE APPLIED: Nil**

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### AUTHORITY FOR THE OFFER

The Board of Directors, pursuant to a resolution passed at their meeting held on September 21, 2024 authorized the Offer, subject to the approval of the shareholders of our Company under Section 62(1)(c) of the Companies Act, 2013, and such other authorities as may be necessary. The shareholders of our Company have, pursuant to a special resolution passed under Section 62(1)(c) of the Companies Act, 2013 at an Extra-Ordinary General Meeting held on September 23, 2024 authorized the Offer.

The Selling Shareholder has confirmed and authorized his participation in the Offer for Sale in relation to the Offered Shares, as set out below:

Name of the Selling Shareholder	Type	Date of Authorization Letter	Equity Shares of face value of ₹ 10 each held as of date of the DRHP	Equity Shares of face value of ₹ 10 each offered by way of Offer for Sale
Mr. Manish Bajoria	Promoter	January 07, 2025	36,95,280	2,15,000

The Draft Red Herring Prospectus has been approved by our Board pursuant to a resolution dated January 20, 2025.

The Red Herring Prospectus has been approved by our Board pursuant to a resolution dated [●]

The Prospectus has been approved by our Board pursuant to a resolution dated [●]

#### **In-principle Approval:**

Our Company has obtained In-Principle approval from the Emerge Platform of National Stock Exchange of India Limited (“NSE Emerge”) for using its name in the Offer Documents pursuant to an approval letter dated [●] from Emerge Platform of National Stock Exchange of India Limited (“NSE Emerge”). Emerge Platform of National Stock Exchange of India Limited (“NSE Emerge”) is the Designated Stock Exchange.

### PROHIBITION BY SEBI OR OTHER GOVERNMENTAL AUTHORITIES

We confirm that our Company, Promoters, Promoter Group, Selling Shareholder and Directors have not been declared as wilful defaulter(s) or fraudulent borrowers by the RBI or any other governmental authority. Further, there has been no violation of any securities law committed by any of them in the past and no such proceedings are currently pending against any of them.

We confirm that our Company, Promoters, Promoter Group or Directors have not been prohibited from accessing or operating in the capital markets under any order or direction passed by SEBI or any other regulatory or Governmental Authority.

- Neither our Company, nor Promoters, nor Promoter Group, nor any of our Directors or persons in control of our Company are / were associated as promoters, directors or persons in control of any other Company which is debarred from accessing or operating in the capital markets under any order or directions made by the SEBI or any other regulatory or Governmental Authorities.
- None of our Directors are associated with the securities market and there has been no action taken by the SEBI against the Directors or any other entity with which our Directors are associated as Promoters or Director.
- Neither our Promoters, nor Promoter Group, nor any of our Directors is declared as Fugitive Economic Offender.
- Neither our Company, nor our Promoters, nor Promoter Group nor our Directors, are Willful Defaulters or fraudulent borrowers.
- The Selling Shareholder confirms that she has not been prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/court. Further, there have not been any regulatory actions initiated against the Selling Shareholder by SEBI, RBI or any overseas regulator.

### PROHIBITION BY RBI

Neither our Company, nor Promoters, nor Promoter Group, nor any of our Directors or the person(s) in control of our Company have been identified as a wilful defaulter or fraudulent borrowers by the RBI or other governmental authority and there has been no violation of any securities law committed by any of them in the past and no such proceedings are pending against any of them except as details provided under chapter titled “***Outstanding Litigations and Material Developments***” beginning on page 234 of this Draft Red Herring Prospectus.

Neither our Company, our Promoters, our Directors, Group companies, relatives (as per Companies Act, 2013) of Promoters or the person(s) in control of our Company have been identified as wilful defaulters or a fraudulent borrower as defined by the SEBI ICDR Regulations, 2018.

#### **COMPLIANCE WITH THE COMPANIES (SIGNIFICANT BENEFICIAL OWNERSHIP) RULES, 2018**

Our Company, Selling Shareholder, our Promoters and the members of the Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018 (“SBO Rules”), to the extent applicable, as on the date of this Draft Red Herring Prospectus.

#### **DIRECTORS ASSOCIATED WITH THE SECURITIES MARKET**

None of our Directors are associated with the Securities Market in any manner and no action has been initiated against these entities by SEBI at any time except as stated under the chapters titled “***Outstanding Litigations and Material Developments***” beginning on page 234 respectively, of this Draft Red Herring Prospectus.

#### **ELIGIBILITY FOR THE OFFER**

Our Company is an “***unlisted issuer***” in terms of the SEBI (ICDR) Regulations, 2018 and this Offer is an “Initial Public Offer” in terms of the SEBI (ICDR) Regulations, 2018.

Our Company is eligible in terms of Regulation 228, 229(1) and 230 of SEBI (ICDR) Regulations, 2018 and other provisions of Chapter IX of the SEBI (ICDR) Regulations, 2018, Our Company is eligible for the Offer in accordance with Regulation 229(1) of the SEBI (ICDR) Regulations, 2018 and other provisions of Chapter IX of the SEBI (ICDR) Regulations, 2018, as we are an Issuer whose post issue face value capital is more than ten crore rupees and upto twenty five crores and we may hence, Issue Equity Shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (in this case being the Emerge Platform of National Stock Exchange of India Limited) (“NSE Emerge”).

Selling Shareholder has confirmed that he has held his portion of offered shares for a period of at least one year prior to the date of filing of this Draft Red Herring Prospectus and that it is in compliance with the SEBI ICDR Regulations and are eligible for being offered in the Offer for sale.

#### **We confirm that:**

In accordance with Regulation 260 of the SEBI (ICDR) Regulations, 2018, this Offer is 100% underwritten and that the Book Running Lead Manager to the Offer shall underwrite minimum 15% of the total issue size. For further details pertaining to said underwriting please refer to chapter titled “***General Information-Underwriting***” beginning on page 66 of this Draft Red Herring Prospectus.

In accordance with Regulation 261(1) of the SEBI (ICDR) Regulations, 2018, we hereby confirm that we will enter into an agreement with the Book Running Lead Manager and a Market Maker to ensure compulsory Market Making for a minimum period of three years from the date of listing of Equity Shares in this Offer on the Emerge Platform of National Stock Exchange of India Limited (“NSE Emerge”). For further details of the arrangement of market making please refer to chapter titled “***General Information***” beginning on page 66 and details of the Market Making Arrangements for this please refer to chapter titled “***The Offer***” beginning on page 60 of this Draft Red Herring Prospectus.

In accordance with Regulation 268(1) of the SEBI (ICDR) Regulations, 2018, we shall ensure that the total number of proposed Allottees in the Offer shall be greater than or equal to fifty (50), otherwise, the entire application money will be refunded forthwith. If such money is not repaid within eight working days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of eight working days, be liable to repay such application money, with an interest at the rate as prescribed under SEBI (ICDR) Regulations 2018, the Companies Act, 2013 and applicable laws. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and / or imprisonment in such a case.

In terms of Regulation 246(5) of the SEBI (ICDR) Regulations, we shall ensure that our Book Running Lead Manager submits a copy of the Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies. Further, in terms of Regulation 246(2), SEBI shall not issue observation on the Prospectus.

In accordance with Regulation 228(a) of the SEBI (ICDR) Regulations, our Company, its promoters, promoter group or directors or selling shareholders are not debarred from accessing the capital markets by the Board;

In accordance with Regulation 228(b) of the SEBI (ICDR) Regulations, the companies with which our promoters or directors are associated as a promoter or director are not debarred from accessing the capital markets by the Board;

In accordance with Regulation 228(c) of the SEBI (ICDR) Regulations, Neither the issuer nor any of its promoters or directors is a wilful defaulter or a fraudulent borrower.

In accordance with Regulation 228(d) of the SEBI (ICDR) Regulations, None of the Issuer's promoters or directors is a fugitive economic offender.

In accordance with Regulation 230(1)(a) of the SEBI (ICDR) Regulations, Application is being made to National Stock Exchange of India Limited and National Stock Exchange of India Limited is the Designated Stock Exchange.

In accordance with Regulation 230(1)(b) of the SEBI (ICDR) Regulations, the Company has entered into agreement with depositories for dematerialisation of specified securities already issued and proposed to be issued.

In accordance with Regulation 230(1)(c) of the SEBI (ICDR) Regulations, all the present Equity share Capital fully Paid-up.

In accordance with Regulation 230(1)(d) of the SEBI (ICDR) Regulations, all the specified securities held by the promoters are already in dematerialised form.

As per Regulation 229(3) of the SEBI (ICDR) Regulations, 2018, our Company satisfies track record and / or other eligibility conditions of Emerge Platform of National Stock Exchange of India Limited ("NSE Emerge") in accordance with the Restated Financial Statements, prepared in accordance with the Companies Act, 2013 and restated in accordance with the SEBI ICDR Regulations as below:

1. Our Company was incorporated on September 10, 2008 with the Deputy Registrar of Companies, West Bengal, under the Companies Act, 1956 in India.
2. To carry on the business as manufacturer, producer, processor, inventors, converter, importer, exporter, trader, buyer, seller, retailer, wholesaler, supplier, stockiest, agent, sub-agent, merchant, distributor, assembler jobber of or otherwise deal in all kinds of Glass Fiber Reinforce Polymer/Fiber Reinforce Polymers composite Products including but not limited to FRP/GFRP Structural Profiles, FRP Deck, FRP Handrail, FRP Fencing, GFRP Ladder, Cable Clamps, FRP Canopy, FRP Stairs/Crossovers, FRP Cross Arm, FRP/GFRP Pultruded Gratings, FRP/GFRP Moulded Gratings, GFRP/FRP pipes, GFRP/FRP Pole, GFRP/FRP Tank reinforced plastic rods, fiber reinforced plastic rods, rigid fiber reinforced plastic rods and long splice free plastic reinforced rods and to provide innovative GFRP solutions for various applications in the construction, infrastructure, chemical processing, and other industrial sectors and also supplies of optical fiber cable, power cables, telecom equipment, fiber reinforced insulation tubes, fiber reinforced polymer such as roofing sheets, fiber glass roofs and prefabricated shelters., FRP tanks, industrial tanks, fiber reinforced plastic tanks and industrial fiber reinforced plastic tanks, fiber reinforced plastic cable trays, channel type cable trays, FRP cable trays, perforated cable trays and perforated channel type cable trays.
3. The Paid-up Capital of the Company is ₹ 725.24 Lakh comprising 72,52,380 Equity shares.
4. The Post Issue Paid up Capital (Face Value) of the company will be ₹ [●] comprising [●] Equity Shares. So, the company has fulfilled the criteria of Post Offer Paid up Capital shall be less than or equal to ten crore rupees.
5. The Company confirms that it has operating profits (earnings before interest, depreciation and tax) from operations for at least 3 financial years preceding the application and its net-worth as on March 31, 2024 is positive:

(₹ in Lakhs)

Particulars	For the period and Financial Year ended on			
	October 31, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Networth <sup>(1)</sup>	2,125.50	1,245.28	634.88	371.08
EBITDA <sup>(2)</sup>	744.31	905.23	428.93	113.73

<sup>(1)</sup> Networth has been computed as defined under Regulation 2(1)(hh) of the SEBI ICDR Regulations as the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.

<sup>(2)</sup> EBITDA is calculated as Profit before tax + Depreciation + Finance Costs - Other Income.

6. The Issuer has positive Free cash flow to Equity (FCFE) for at least 2 out of 3 financial years preceding the application, as given below:

(₹ In Lakhs)

Particulars	For the period and Financial Year ended on		
	March 31, 2024	March 31, 2023	March 31, 2022
Net Cash flow from Operations	913.05	93.11	243.94
Less- Purchase of Fixed Assets (net of sale proceeds of Fixed Assets)	200.23	147.44	89.54
Add- Net Total Borrowings (net of repayment)	(303.08)	126.66	(73.62)
Less- Finance Cost x (1-T)	27.28	33.44	34.51
<b>Free cash flow to Equity (FCFE)</b>	<b>382.46</b>	<b>38.89</b>	<b>46.27</b>

7. Our Company has facilitated trading in demat securities and has entered into an agreement with both the depositories. Our Company has entered into an agreement with Central Depository Services Limited (CDSL) dated July 15, 2024 and National Securities Depository Limited (NSDL) dated June 25, 2024 for dematerialization of its Equity Shares already issued and proposed to be issued.
8. The Company has not been referred to Board for Industrial and Financial Reconstruction.
9. Our Company has not been referred to the National Company Law Tribunal (NCLT) under Insolvency and Bankruptcy Code, 2016.
10. None of the Directors of our Company have been categorized as a Wilful Defaulter or fraudulent borrowers.
11. There is no winding up petition against the Company, which has been admitted by a court of competent jurisdiction or liquidator has not been appointed.
12. No material regulatory or disciplinary action has been taken by any stock exchange or regulatory authority in the past three years against the Company.
13. There has been no significant change in the promoter(s) of the Company in the one year preceding the date of filing application to Emerge Platform of National Stock Exchange of India Limited (“NSE Emerge”).
14. The Company has a website: [www.arcinsulations.com](http://www.arcinsulations.com).
15. No Offer Documents filed with the Exchange of the Book Running Lead Manager has been returned in the past 6 months from the date of application.
16. Neither our Company nor our Promoters, Selling Shareholder, members of our Promoter Group or our Directors are debarred from accessing the capital markets by the SEBI.

We further confirm that we shall be complying with all other requirements as laid down for such Issue under Chapter IX of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

We further confirm that we comply with all the above requirements / conditions so as to be eligible to be listed on the Emerge Platform of National Stock Exchange of India Limited (“NSE Emerge”).

#### **COMPLIANCE WITH PART A OF SCHEDULE VI OF THE SEBI (ICDR) REGULATIONS, 2018**

Our Company is in compliance with the provisions specified in Part A of Schedule VI of the SEBI (ICDR) Regulations, 2018. No exemption from eligibility norms has been sought under Regulation 300 of the SEBI (ICDR) Regulations, 2018, with respect to the Offer.

**DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE BOOK RUNNING LEAD MANAGER, GRETEX CORPORATE SERVICES LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018. IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE BOOK RUNNING LEAD MANAGER, GRETEX CORPORATE SERVICES LIMITED IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED [●]. THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER SECTION 34, SECTION 35, SECTION 36 AND SECTION 38 (1) OF THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND / OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE DRAFT OFFER DOCUMENTS / OFFER DOCUMENTS.**

**Note:**

The filing of this Draft Red Herring Prospectus does not, however, absolve our Company from any liabilities under sections 34, 35 and 36(1) of the Companies Act, 2013 or from the requirement of obtaining such statutory and other clearances as may be required for the purpose of the proposed Offer. SEBI further reserves the right to take up at any point of time, with the Book Running Lead Manager any irregularities or lapses in this Draft Red Herring Prospectus.

All legal requirements pertaining to the Offer will be complied with at the time of registration of the Prospectus with the Registrar of Companies, Kolkata in terms of Section 26, 28 & 32 of the Companies Act, 2013.

**DISCLAIMER STATEMENT FROM OUR COMPANY, SELLING SHAREHOLDER AND THE BOOK RUNNING LEAD MANAGER**

Our Company, the Selling Shareholder and the Book Running Lead Manager accept no responsibility for statements made otherwise than those contained in this Draft Red Herring Prospectus or, in case of the Company, in any advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information would be doing so at his or her own risk. The Book Running Lead Manager accept no responsibility, save to the limited extent as provided in the agreement entered between the Book Running Lead Manager (Gretex Corporate Services Limited), our Company and the Selling Shareholder on January 07, 2025 and the Underwriting Agreement dated January 07, 2025 entered into between the Underwriters, Selling Shareholder and our Company and the Market Making Agreement dated January 07, 2025 entered into among the Market Maker and our Company. All information shall be made available by our Company, Selling Shareholder and the Book Running Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at collection centres or elsewhere. The Book Running Lead Manager and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, our Promoter Group, or our affiliates or associates in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with our Company, our Promoter Group, and our affiliates or associates, for which they have received and may in future receive compensation.

**Note:** Investors who apply in the Offer will be required to confirm and will be deemed to have represented to our Company and the Underwriter and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the



Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares in the Offer.

#### **CAUTION**

Investors who apply in the Offer will be required to confirm and will be deemed to have represented to our Company and the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not Offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares in the Offer.

#### **PRICE INFORMATION AND THE TRACK RECORD OF THE PAST ISSUES HANDLED BY THE BOOK RUNNING LEAD MANAGER**

For details regarding the price information and track record of the past issue handled by M/s. Gretex Corporate Services Limited, as specified in Circular reference CIR/CFD/DIL/7/2015 dated October 30, 2015 issued by SEBI, please refer Annexure A to this Draft Red Herring Prospectus and the website of the Book Running Lead Manager at [www.gretexcorporate.com](http://www.gretexcorporate.com)

#### **DISCLAIMER IN RESPECT OF JURISDICTION**

This Offer is being made in India to persons resident in India (including Indian nationals resident in India who are majors, HUFs, companies, corporate bodies and societies registered under applicable laws in India and authorized to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, AIFs state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with a minimum corpus of ₹ 2,500.00 Lakhs and pension funds with a minimum corpus of ₹ 2,500.00 Lakhs, and permitted non-residents including FIIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India provided that they are eligible under all applicable laws and regulations to hold Equity Shares of our Company. The Draft Red Herring Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform him or herself about, and to observe, any such restrictions.

Any dispute arising out of this Offer will be subject to jurisdiction of the competent court(s) in Kolkata, West Bengal only.

No action has been, or will be, taken to permit a public Issuing in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed at Emerge Platform of National Stock Exchange of India Limited ("NSE Emerge") for its observations and National Stock Exchange of India Limited will give its observations in due course. Accordingly, the Equity Shares represented hereby may not be Issued or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company and the Selling Shareholders from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each applicant where required agrees that such applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws, legislations and Draft Red Herring Prospectus in each jurisdiction, including India.

## **DISCLAIMER CLAUSE OF THE EMERGE PLATFORM OF NATIONAL STOCK EXCHANGE OF INDIA LIMITED**

As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). National Stock Exchange of India Limited has given vide its letter Ref: [●] dated [●] permission to the Issuer to use the Exchange's name in this Offer Document as one of the stock exchanges on which this Issuer's securities are proposed to be listed.

The Exchange has scrutinized draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer.

It is to be distinctly understood that the aforesaid permission given by National Stock Exchange of India Limited should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its Promoter, its management or any scheme or project of this Issuer. Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

## **DISCLAIMER CLAUSE UNDER RULE 144A OF THE U.S. SECURITIES ACT**

The Equity Shares have not been, and will not be, registered under the U.S. Securities Act 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be Issued or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be Issued and sold outside the United States in compliance with Regulation S of the Securities Act and the applicable laws of the jurisdiction where those Issues and sales occur.

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be issued or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each Applicant where required agrees that such Applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

## **FILING**

The Draft Red Herring Prospectus is being filed with Emerge Platform of National Stock Exchange of India Limited ("NSE Emerge") Exchange Plaza, C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051, Maharashtra, India. The Draft Red Herring Prospectus will not be filed with SEBI, nor will SEBI issue any observation on the Offer Document in terms of Regulation 246(2) of SEBI (ICDR) Regulations, 2018.

Pursuant to Regulation 246(5) of SEBI (ICDR) Regulations, 2018 and SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of Red Herring Prospectus / Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>.

A copy of the Red Herring Prospectus, along with the material contracts and documents referred elsewhere in the Prospectus, will be delivered for filing to the Registrar of Companies, West Bengal, Kolkata, Nizam Palace, 2nd MSO Building, 2nd Floor, 234/4, A.J.C.B. Road, Kolkata-700020, West Bengal.

## **LISTING**

An Application have been made to Emerge Platform of National Stock Exchange of India Limited ("NSE Emerge") for obtaining permission for listing of the Equity Shares being offered and sold in the Offer on its Emerge Platform of National Stock Exchange of India Limited ("NSE Emerge") after the allotment in the Offer. Emerge Platform of National Stock Exchange of India Limited ("NSE Emerge") is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Offer.

National Stock Exchange of India Limited will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Offer. If the permission to deal in and for an official quotation of the Equity Shares on the NSE Emerge is not granted by NSE, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of this Draft Red Herring Prospectus. If such money is not repaid within the prescribed time then our Company becomes liable to repay it, then our Company and every officer in default shall, shall be liable to repay such application money, with interest, as prescribed under the applicable law. Our Company, Selling Shareholder shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the NSE Emerge of National Stock Exchange of India Limited mentioned above are taken within three (3) Working Days of the Offer Closing Date. If Equity Shares are not Allotted pursuant to the Offer within three (3) Working Days from the Offer Closing Date or within such timeline as prescribed by the SEBI, our Company shall repay with interest all monies received from applicants, failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period Subject to applicable law.

The Company has obtained approval from National Stock Exchange of India Limited vide letter dated [●] to use the name of National Stock Exchange of India Limited in this Offer document for listing of equity shares on Emerge Platform of National Stock Exchange of India Limited (“NSE Emerge”).

## IMPERSONATION

Attention of the Applicants is specifically drawn to the provisions of Section 38(1) of the Companies Act, 2013 which is reproduced below:

*Any person who-*

- *Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- *Makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- *Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable to action under Section 447 of the Companies, Act 2013.*

## CONSENTS

Consents in writing of: (a) The Directors, the Promoters, the Selling Shareholder, the Chief Financial Officer, the Company Secretary & Compliance Officer, Senior Management Personnel, the Statutory Auditors, Peer Review Auditors, the Independent Chartered Engineer; and (b) the Book Running Lead Manager, the Registrar to the Offer, the Legal Advisors to the Offer, Bankers to the Offer<sup>(1)</sup>, Share Escrow Agent<sup>(1)</sup>, Syndicate Member<sup>(1)</sup>, Bankers to the Company, Market Maker and Underwriters to act in their respective capacities, have been obtained and shall be filed along with a copy of the Red Herring Prospectus with the RoC, as required under Section 26, 28 and 32 of the Companies Act, 2013.

*<sup>1)</sup>The aforesaid will be appointed prior to filing of the Red Herring Prospectus with RoC and their consents as above would be obtained prior to the filing of the Red Herring Prospectus with RoC.*

In accordance with the Companies Act, 2013 and the SEBI (ICDR) Regulations, 2018, M/s. Jay Gupta & Associates, Chartered Accountants, the Peer Review Auditor for the Offer have agreed to provide their written consent to the inclusion of their respective reports on “**Statement of Possible Tax Benefits**” relating to the possible tax benefits and restated financial statements as included in this Draft Red Herring Prospectus in the form and context in which they appear therein and such consent and reports will not be withdrawn up to the time of delivery of this Draft Red Herring Prospectus.

## EXPERT TO THE OFFER

Except as stated below, our Company has not obtained any expert opinions:

- Report of the Statement of Possible of Tax Benefits dated January 07, 2025.
- Report of the Auditor on the Restated Financial Statements of our Company for the seven months period ended October 31, 2024 Year ended March 31, 2024 March 31, 2023, March 31, 2022 dated January 07, 2025.
- Legal Advisor Certificate on litigation matter issued by M/s. Zenith India Lawyers.

## EXPENSES TO THE OFFER

The expenses of this Offer include, among others, underwriting and management fees, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. For details of total expenses of the Offer, refer to chapter “*Objects of the Issue*” beginning on page 93 of this Draft Red Herring Prospectus.

## DETAILS OF FEES PAYABLE

### Fees Payable to the Book Running Lead Manager

The total fees payable to the Book Running Lead Manager will be as per the Mandate Letter issued by our Company to the Book Running Lead Manager, the copy of which is available for inspection at our Registered Office.

### Fees Payable to the Registrar to the Offer

The fees payable to the Registrar to the Offer will be as per the Agreement signed by our Company and the Registrar to the Offer dated January 07, 2025, a copy of which is available for inspection at our Registered Office. The Registrar to the Offer will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, and stamp duty and communication expenses. Adequate funds will be provided by the Company to the Registrar to the Offer to enable them to send refund orders or allotment advice by registered post / speed post / under certificate of posting.

### Fees Payable to Others

The total fees payable to the Legal Advisor, Auditor and Advertiser, etc. will be as per the terms of their respective engagement letters if any.

## UNDERWRITING COMMISSION, BROKERAGE AND SELLING COMMISSION

The underwriting commission and the selling commission for the Offer are as set out in the Underwriting Agreement amongst the Company and Underwriters. The underwriting commission shall be paid as set out in the Underwriting Agreement based on the Offer price and the amount underwritten in the manner mentioned in accordance with Section 40 of the Companies Act, 2013 and the Companies (Prospectus and Allotment of Securities) Rule, 2013.

## PREVIOUS RIGHTS AND PUBLIC ISSUES SINCE THE INCORPORATION

We have not made any previous rights and / or public issues since incorporation and are an “*Unlisted Issuer*” in terms of the SEBI (ICDR) Regulations, 2018 and this Offer is an “*Initial Public Offering*” in terms of the SEBI (ICDR) Regulations, 2018.

## CAPITAL ISSUES IN THE LAST THREE (3) YEARS BY LISTED GROUP COMPANIES / SUBSIDIARY / ASSOCIATES

None of our Group Company / Associates that are listed on any Stock Exchange has made any Capital Issue in the last three (3) years. We do not have any subsidiary as on date of this Draft Red Herring Prospectus.

## PREVIOUS ISSUES OF SHARES OTHERWISE THAN FOR CASH

Except as stated in the chapter titled “*Capital Structure*” beginning on page 78 of this Draft Red Herring Prospectus, our Company has not issued any Equity Shares for consideration otherwise than for cash.

## COMMISSION AND BROKERAGE ON PREVIOUS ISSUES

Since this is the Initial Public Offer of the Equity Shares by our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of our Equity Shares since our inception.

## PARTICULARS IN REGARD TO OUR COMPANY AND OTHER LISTED COMPANIES UNDER THE SAME MANAGEMENT WITHIN THE MEANING OF SECTION 370(1B) OF THE COMPANIES ACT, 1956/ SECTION 186 OF THE COMPANIES ACT, 2013 WHICH MADE ANY CAPITAL ISSUE DURING THE LAST THREE YEARS

None of the equity shares of Companies under same management are listed on any recognized stock exchange. None of the above companies have raised any capital during the past 3 years.

## PROMISE VERSUS PERFORMANCE FOR OUR COMPANY

Our Company is an “*Unlisted Issuer*” in terms of the SEBI (ICDR) Regulations, 2018, and this Offer is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations, 2018. Therefore, data regarding promise versus performance is not applicable to us.

## LISTED SUBSIDIARY / PROMOTER

We do not have any listed Subsidiary or Promoter Company as on date of this Draft Red Herring Prospectus.

## OPTION TO SUBSCRIBE

- a) Investors will get the allotment of specified securities in dematerialization form only.
- b) The equity shares, on allotment, shall be traded on stock exchange in Demat segment only.

## OUTSTANDING DEBENTURES, BONDS, REDEEMABLE PREFERENCE SHARES AND OTHER INSTRUMENTS ISSUED BY OUR COMPANY

Our company has not issued debentures and the details of the debentures are mentioned in the chapter “*Statement of Financial Indebtedness*” on page 233 of this Draft Red Herring Prospectus.

## OUTSTANDING CONVERTIBLE INSTRUMENTS:

Our Company does not have any outstanding convertible instruments as on the date of filing this Draft Red Herring Prospectus

## PARTLY PAID-UP SHARES

As on the date of this Draft Red Herring Prospectus, there are no partly paid-up Equity Shares of our Company.

## STOCK MARKET DATA FOR OUR EQUITY SHARES

Our Company is an “*Unlisted Issuer*” in terms of the SEBI (ICDR) Regulations, 2018, and this Offer is an “*Initial Public Offering*” in terms of the SEBI (ICDR) Regulations, 2018. Thus, there is no stock market data available for the Equity Shares of our Company.

## MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES

The Agreement between the Registrar and Our Company provides for retention of records with the Registrar for a period of at least three years from the last date of dispatch of the letters of allotment, demat credit and unblocking of funds to enable the investors to approach the Registrar to this Offer for redressal of their grievances. All grievances relating to this Offer may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as the name, address of the applicant, number of Equity Shares applied for, amount paid on application and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch or the collection centre of the SCSB where the Application Form was submitted by the ASBA applicants.

## DISPOSAL OF INVESTOR GRIEVANCES BY OUR COMPANY

Our Company has appointed Maashitla Securities Private Limited as the Registrar to the Offer to handle the investor grievances in co-ordination with the Compliance Officer of the Company. All grievances relating to the present Offer may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and name of bank and branch. The Company would monitor the work of the Registrar to ensure that the investor grievances are settled expeditiously and satisfactorily.

The Registrar to the Offer will handle investor’s grievances pertaining to the Offer. A fortnightly status report of the complaints received and redressed by them would be forwarded to the Company. The Company would also be co-ordinating with the Registrar to the Offer in attending to the grievances to the investor.

All grievances relating to the ASBA process and UPI may be addressed to the SCSBs, giving full details such as name, address of the Applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant. We estimate that the average time required by us or the Registrar to the Offer or the SCSBs for the redressal of routine investor grievances will be seven (7) business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

All grievances relating to the ASBA process may be addressed to the SCSBs, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant. We estimate that the average time required by us or the Registrar to the Offer or the SCSBs for the redressal of routine investor grievances will be seven business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

Our Company will obtain authentication on the SCORES in compliance with the SEBI circular (CIR/OIAE/1/2013) dated April 17, 2013, SEBI Circular (CIR/OIAE/1/2014) dated December 18, 2014, and SEBI circular (SEBI/HO/OIAE/IGRD/CIR/P/2021/642) dated October 14, 2021 in relation to redressal of investor grievances through SCORES. This would enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. For more details, investors are requested to visit the website [www.scores.gov.in](http://www.scores.gov.in)

We have constituted the Stakeholders Relationship Committee of the Board vide resolution passed at the Board Meeting held on September 03, 2024. For further details, please refer to the chapter titled “*Our Management*” beginning on page 185 of this Draft Red Herring Prospectus.

Our Company has appointed Ms. Shraddha Dhacholia as Company Secretary and Compliance Officer and she may be contacted at the following address:

**Ms. Shraddha Dhacholia**

Village- Ramdevpur, Po- Bawali, Bishnupur 2, Parganas South, Bishnupur, West Bengal- 743384, India

**Contact No.:** +91 6293761075

**Email:** [cs@arcinsulations.com](mailto:cs@arcinsulations.com)

**Website:** [www.arcinsulations.com](http://www.arcinsulations.com)

Investors can contact the Company Secretary and Compliance Officer or the Registrar in case of any Pre-Offer or Post-Offer related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account or unblocking of funds, etc.

**Status of Investor Complaints**

We confirm that we have not received any investor complaint during the three years preceding the date of this Draft Red Herring Prospectus and hence there are no pending investor complaints as on the date of this Draft Red Herring Prospectus.

**Disposal of Investor Grievances by Listed Companies under the same Management**

None of our Group Companies / Associates / Subsidiary are listed on any Stock Exchange as on the date of filing this Draft Red Herring Prospectus.

**CAPITALISATION OF RESERVES OR PROFITS**

Save and except as stated in the chapter titled “*Capital Structure*” beginning on page 78 of this Draft Red Herring Prospectus, our Company has not capitalized its reserves or profits during the last five years.

**REVALUATION OF ASSETS**

Our Company has not revalued its assets since incorporation.

**TAX IMPLICATIONS**

Investors who are allotted Equity Shares in the Offer will be subject to capital gains tax on any resale of the Equity Shares at applicable rates, depending on the duration for which the investors have held the Equity Shares prior to such resale and whether the Equity Shares are sold on the Stock Exchanges. For details, please refer the section titled “*Statement of Possible Tax Benefits*” beginning on page 116 of this Draft Red Herring Prospectus.

## **PURCHASE OF PROPERTY**

Other than as disclosed in this Draft Red Herring Prospectus, there is no property which has been purchased or acquired or is proposed to be purchased or acquired which is to be paid for wholly or partly from the proceeds of the present Offer or the purchase or acquisition of which has not been completed on the date of this Draft Red Herring Prospectus.

Except as stated elsewhere in this Draft Red Herring Prospectus, our Company has not purchased any property in which the Promoters and / or Directors have any direct or indirect interest in any payment made there under.

## **SERVICING BEHAVIOR**

There has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.

## **PAYMENT OR BENEFIT TO OFFICERS OF OUR COMPANY**

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company or superannuation. Except as disclosed under sections titled "*Our Management*" and "*Related Party Transactions*" beginning on pages 185 and 215 respectively of this Draft Red Herring Prospectus none of the beneficiaries of loans and advances and sundry debtors are related to the Directors of our Company.

## **EXEMPTION FROM COMPLYING WITH ANY PROVISIONS OF SECURITIES LAWS, IF ANY, GRANTED BY SEBI**

Our company has not applied or received any exemption from complying with any provisions of securities laws by SEBI.

## SECTION XI: OFFER RELATED INFORMATION

### TERMS OF THE OFFER

*The Equity Shares being Issued are subject to the provisions of the Companies Act, SCRA, SCRR, SEBI (ICDR) Regulations, the SEBI Listing Regulations, our Memorandum and Articles of Association, the terms of the Draft Red Herring Prospectus, Red Herring Prospectus, Prospectus, Application Form, any Confirmation of Allocation Note (“CAN”), the Revision Form, Allotment advices, and other terms and conditions as may be incorporated in the Allotment advices and other documents / certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the Offer of capital, offer for sale and listing and trading of securities issued from time to time by SEBI, the Government Of India, the Stock Exchange, the Registrar of Companies, the RBI and / or other authorities, as in force on the date of the Offer and to the extent applicable or such other conditions as may be prescribed by SEBI, RBI, the Government Of India, the Stock Exchange, the Registrar of Companies and / or any other authorities while granting its approval for the Offer.*

*Please note that, in terms of Regulation 256 of the SEBI (ICDR) Regulations 2018 read with SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, all the investors applying in a public offer shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self-Certified Syndicate Banks (SCSBs) for the same. Further, SEBI through its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, (together, the “UPI Circular”) in relation to clarifications on streamlining the process of public offer of equity shares and convertibles it has proposed to introduce an alternate payment mechanism using Unified Payments Interface (“UPI”) and consequent reduction in timelines for listing in a phased manner. Currently, for application by RIIs through Designated Intermediaries, the existing process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds is discontinued and RIIs submitting their Application Forms through Designated Intermediaries (other than SCSBs) can only use the UPI mechanism with existing timeline of T+6 days until March 31, 2020 (“UPI Phase II”). Further SEBI through its circular no SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 has decided to continue with the Phase II of the UPI ASBA till further notice. However, due to the outbreak of COVID19 pandemic, UPI Phase II has been further extended by SEBI until further notice, by its circular (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020. Thereafter, vide SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, Phase III has been notified, and accordingly the revised timeline of T+3 days (i.e., the time duration from public offer closure to listing of be 3 Working Days) has been made applicable in two phases i.e., (i) voluntary for all public offers opening on or after September 1, 2023; and (ii) mandatory on or after December 1, 2023 (“UPI Phase III”). Accordingly, the Offer will be undertaken pursuant to the processes and procedures under UPI Phase III, subject to any circulars, clarification or notification issued by the SEBI from time to time. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 read with circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI Circular no. SEBI/HO/CFD/P/CIR/2022/75 dated May 30, 2022 has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances.*

*Further vide the said circular Registrar to the Offer and Depository Participants have been also authorized to collect the Application forms. Investor may visit the official website of the concerned for any information on operationalization of this facility of form collection by the Registrar to the Offer and Depository Participants as and when the same is made available.*

### AUTHORITY FOR THE PRESENT OFFER

This Public Offer has been authorized by a resolution of our Board of Directors passed at their meeting held on September 21, 2024 subject to the approval of shareholders through a special resolution to be passed pursuant to Section 62(1)(c) of the Companies Act, 2013 at the General Meeting. The shareholders have authorized the Offer by a Special Resolution in accordance with Section 62(1)(c) of the Companies Act, 2013 passed at the Extra Ordinary General Meeting of our Company held on September 23, 2024. The Offer comprises a Fresh Issue by our Company and an Offer for Sale by the Selling Shareholder. The fees and expenses relating to the Offer shall be borne by each of our Company and the Selling Shareholder in the manner agreed to among our Company and the Selling Shareholder and in accordance with applicable law. For details in relation to the sharing of Offer expenses amongst our Company and the Selling Shareholder, see “*Objects of the Issue*” on page 93.

### RANKING OF EQUITY SHARES



The Equity Shares being issued shall be subject to the provisions of the Companies Act, and our Memorandum of Association and Articles of Association and shall rank pari-passu in all respects with the existing Equity Shares of our Company including rights in respect of dividends and other corporate benefits, if any, declared by us after the date of Allotment. The Allottees, upon Allotment of Equity Shares under this Offer, will be entitled to receive dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, please refer to section titled, '*Main Provisions of Article of Association*', beginning on page 311 of this Draft Red Herring Prospectus.

#### **MODE OF PAYMENT OF DIVIDEND**

The declaration and payment of dividend will be as per the provisions of Companies Act, 2013, Article of Association, the provision of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 any other rules, regulations or guidelines as may be issued by Government of India in connection there to and as per the recommendation by the Board of Directors and the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividend, in cash as per the provisions of the Companies Act and our Articles of Association. Further Interim Dividend (if any declared) will be approved by the Board of Directors. For further details in relation to dividends, please refer to sections titled, '*Dividend Policy*' and '*Main Provisions of Article of Association*', beginning on page 214 and 311 respectively, of this Draft Red Herring Prospectus.

#### **FACE VALUE AND OFFER PRICE**

The face value of each Equity Share of our Company is ₹ 10.00 and the Offer Price at the lower end of the Price Band is ₹ [●] per Equity Share ("Floor Price") and at the higher end of the Price Band is ₹ [●] per Equity Share ("Cap Price"). The Anchor Investor Offer Price is ₹ [●] per Equity Share.

The Price Band and the minimum Bid Lot size will be decided by our Company and the Selling Shareholder in consultation with the Book Running Lead Manager, and will be advertised, at least two Working Days prior to the Bid / Offer Opening Date, in all editions of [●], an English national daily newspaper and all editions of [●], a Hindi national daily newspaper and Bengali edition of [●], a regional newspaper each with wide circulation and shall be made available to the Stock Exchange for the purpose of uploading on its website. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available on the website of the Stock Exchange. The Offer Price shall be determined by our Company, Selling Shareholder and in consultation with the Book Running Lead Manager, after the Bid / Offer Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of Book Building Process.

The Offer Price is determined by our Company in consultation with the Book Running Lead Manager and is justified under the Section titled, '*Basis for Offer Price*', beginning on page 110 of this Draft Red Herring Prospectus.

At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

#### **COMPLIANCE WITH ICDR REGULATIONS**

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations, as amended time to time.

#### **COMPLIANCE WITH DISCLOSURE AND ACCOUNTING NORMS**

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

#### **RIGHTS OF THE EQUITY SHAREHOLDERS**

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the Equity Shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to receive annual reports and notices to members;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy, in accordance with the provisions of the Companies Act, 2013;
- Right to receive Issue for rights shares and be allotted bonus shares, if announced;

- Right to receive surplus on liquidation; subject to any statutory or preferential claims being satisfied;
- Right of free transferability of the Equity Shares, subject to applicable laws, including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public limited company under the Companies Act, 2013, as may be applicable, terms of the Listing Regulations and the Memorandum of Association and Articles of Association of our Company.

For further details on the main provision of our Company's Articles of Association dealing with voting rights, dividend, forfeiture and lien, transfer and transmission and / or consolidation / splitting, etc., please refer to Section titled, '*Main Provisions of the Articles of Association*', beginning on page 311 of this Draft Red Herring Prospectus.

#### **MINIMUM APPLICATION VALUE, MARKET LOT AND TRADING LOT**

In terms of Section 29 of the Companies Act, 2013, the Equity Shares shall be Allotted only in dematerialized form. As per the existing ICDR Regulations, the trading of the Equity Shares shall only be in dematerialized form for all Applicants.

In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar to the Issue:

- Tripartite Agreement dated between June 25, 2024 between National Securities Depository Limited, our Company and Registrar to the Issue; and
- Tripartite Agreement dated July 15, 2024 between Central Depository Services (India) Limited, our Company and Registrar to the Issue.

The ISIN of the company is INE0YDV01010.

#### **MARKET LOT AND TRADING LOT**

Trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares in terms of the SEBI circular no. CIR/MRD/DSA/06/2012 dated February 21, 2012, and the same may be modified by National Stock Exchange of India Limited from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this Offer will be done in multiples of [●] Equity Share subject to a minimum allotment of [●] Equity Shares to the successful Applicants. Further, in accordance with SEBI (ICDR) Regulations the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakhs per application.

#### **MINIMUM NUMBER OF ALLOTTEES**

In accordance with the Regulation 268 of ICDR Regulations, the minimum number of Allottees in this Offer shall be 50 shareholders. In case the minimum number of prospective Allottees is less than 50, no Allotment will be made pursuant to this Offer and the monies blocked by the SCSBs shall be unblocked within 2 Working Days of closure of Offer.

#### **JOINT HOLDERS**

Where 2 (two) or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint holders with benefits of survivorship.

#### **NOMINATION FACILITY TO INVESTOR**

In accordance with Section 72 of the Companies Act, 2013, the First / Sole Applicant, along with other joint Applicant, may nominate any one person in whom, in the event of the death of Sole Applicant or in case of joint Applicant, death of all the Applicants, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 of the Companies Act, 2013, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of Equity Share(s) by the person nominating. A buyer will be entitled to

make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Section 72 of the Companies Act, 2013, any Person who becomes a nominee by virtue of this section shall upon the production of such evidence as may be required by the Board of Directors, elect either:

- to register himself or herself as the holder of the Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board of Directors may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the Board of Directors may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Offer will be made only in dematerialized form, there is no need to make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the applicant would prevail. If the Applicants require changing the nomination, they are requested to inform their respective Depository Participant.

### WITHDRAWAL OF THE OFFER

Our Company and Selling Shareholder in consultation with the Book Running Lead Manager, reserve the right to not to proceed with the Fresh Issue and the Selling Shareholder, reserve the right not to proceed with the Offer for Sale, in whole or in part thereof, to the extent of the Offered Shares, after the Bid/ Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/ Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer and inform the Stock Exchanges promptly on which the Equity Shares are proposed to be listed.

The BRLM, through the Registrar to the Offer, shall notify the SCSBs and the Sponsor Banks (in case of UPI Bidders), to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification and also inform the Bankers to the Offer to process refunds to the Anchor Investors, as the case may be. The notice of withdrawal will be issued in the same newspapers where the pre-Offer advertisements have appeared, and the Stock Exchanges will also be informed promptly. In terms of the UPI Circulars, in relation to the Offer, the BRLM will submit reports of compliance with the applicable listing timelines and activities, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it. Further, in case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding three Working Days from the Bid/ Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding three Working Days from the Bid/ Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

Notwithstanding the foregoing, this offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment, and (ii) the final ROC approval of the Prospectus after it is filed with the ROC. If our Company withdraws the offer after the offer Closing Date and thereafter determines that it will proceed with an Offer, our Company shall file a fresh Prospectus.

### OFFER PROGRAM

<b>Bid / Offer Opens on</b>	[●] <sup>(1)</sup>
<b>Bid / Offer Closes on</b>	[●] <sup>(2)(3)</sup>
<b>Finalization of Basis of Allotment with the Designated Stock Exchange</b>	On or about [●]
<b>Initiation of Allotment / Refunds / Unblocking of Funds from ASBA Account or UPI ID linked bank account*</b>	On or about [●]
<b>Credit of Equity Shares to Demat accounts of Allottees</b>	On or about [●]
<b>Commencement of trading of the Equity Shares on the Stock Exchange</b>	On or about [●]

Note

(1) Our Company, Selling Shareholder in consultation with the Book Running Lead Manager, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid / Offer Period shall be one Working Day prior to the Bid / Offer Opening Date in accordance with the SEBI ICDR Regulations

(2) Our Company, Selling Shareholder in consultation with the Book Running Lead Manager, may consider closing the Bid / Offer Period for QIBs one Working Day prior to the Bid / Offer Closing Date in accordance with the SEBI ICDR Regulations.

(3) UPI mandate end time and date shall be at 5:00 pm IST on Bid/ Offer Closing Date, i.e. [●]

\*In case of (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) for cancelled / withdrawn / deleted ASBA Forms, the Applicant shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Application Amount, whichever is higher from the date on which the request for cancellation / withdrawal / deletion is placed in the Stock Exchanges Applying platform until the date on which the amounts are unblocked (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Applicant shall be compensated at a uniform rate ₹ 100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Application Amount, the Applicant shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted / partially allotted Application, exceeding four Working Days from the Offer Closing Date, the Applicant shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Application Amount, whichever is higher for the entire duration of delay exceeding four Working Days from the Offer Closing Date by the SCSB responsible for causing such delay in unblocking. The post Offer Book Running Lead Manager shall be liable for compensating the Applicant at a uniform rate of 100 per day or 15% per annum of the Application Amount, whichever is higher from the date of receipt of the Investor grievance until the date on which the blocked amounts are unblocked. For the avoidance of doubt, the provisions of the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 shall be deemed to be incorporated in the deemed agreement of the Company with the SCSBs to the extent applicable.

Note - Our Company, Selling Shareholder in consultation with the Book Running Lead Manager, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date in accordance with the SEBI ICDR Regulations.

The above timetable is indicative and does not constitute any obligation on our Company, Selling Shareholder or the Book Running Lead Manager. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within 3 Working Days of the Bid / Offer Closing Date, the timetable may change due to various factors, such as extension of the Bid / Offer Period by our Company, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

Submission of Application Forms:

<b>Offer period (except the Offer Closing Date)</b>	
Submission and Revision of Application Form	Only between 10.00 a.m. to 5.00 p.m. IST
<b>Offer Closing Date</b>	
Submission and Revision of Application Form	Only between 10.00 a.m. to 3.00*# p.m. IST

\*UPI mandate end time and date shall be at 5.00 pm on Offer / Offer Closing Date

**# On the Offer Closing Date, the Applications shall be uploaded until:**

Until 4.00 p.m. IST in case of application by QIBs and Non – Institutional Investors and Until 5.00 p.m. IST or such extended time as permitted by the Stock Exchange, in case of Retail Individual Investors which may be extended up to such time as deemed fit by the Stock Exchange after taking into account the total number of applications received up to the closure of timings and reported by Book Running Lead Manager to the Stock Exchange.

SEBI vide circular SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 has reduced the post offer timeline for IPOs. The revised timeline of T+3 days has been made applicable in two phases, i.e., voluntary for all public issues opening on or after September 1, 2023 and mandatory on or after December 1, 2023. Accordingly, the Offer has been made under UPI Phase III, subject to the timing of the Offer and any circulars, clarification or notification issued by the SEBI from time to time, including with respect to SEBI circular SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023.

The SEBI is in the process of streamlining and reducing the post Offer timeline for initial public offerings. Any circulars or notifications from the SEBI after the date of the Draft Red Herring Prospectus may result in changes to the abovementioned timelines. Further, the Offer procedure is subject to change to any revised circulars issued by the SEBI to this effect.

The Book Running Lead Manager will be required to submit reports of compliance with listing timelines and activities, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

Due to the limitation of time available for uploading the Bid-Cum-Application Forms on the Bid / Offer Closing Date, Applicants are advised to submit their applications 1(one) day prior to the Offer Closing Date and, in any case, not later than 3:00 p.m. (IST) on the Bid / Offer Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Applicants are cautioned that, in the event a large number of Bid-Cum-Application Forms are received on the Offer Closing Date, as is typically experienced in public offer, some Bid-Cum-Application Forms may not get uploaded due to the lack of sufficient time. Such Bid-Cum-Application Forms that cannot be uploaded will not be considered for allocation under this Offer. Bid-Cum-Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holidays). Neither our Company nor the Book Running Lead Manager is liable for any failure in uploading the Bid-Cum-Application Forms due to faults in any software / hardware system or otherwise.

In accordance with ICDR Regulations, QIBs and Non-Institutional Applicants are not allowed to withdraw or lower the size of their application (in terms of the quantity of the Equity Shares or the Application Amount) at any stage. Retail Individual Investors can revise or withdraw their Application Forms prior to the Offer Closing Date. Allocation to Retail Individual Investors, in this Offer will be on a proportionate basis.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Application Form, for a particular Applicant, the details as per the file received from EMERGE platform of National Stock Exchange of India Limited may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Application Form, for a particular ASBA Applicant, the Registrar to the Offer shall ask the relevant SCSBs / RTAs / DPs / stock brokers, as the case may be, for the rectified data.

Our Company, Selling Shareholder in consultation with the Book Running Lead Manager, reserves the right to revise the Price Band during the Bid / Offer Period. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly. The Floor Price shall not be less than the face value of the Equity Shares.

In case of any revision to the Price Band, the Bid / Offer Period will be extended by at least three additional Working Days following such revision of the Price Band, subject to the Bid / Offer Period not exceeding a total of 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company in consultation with the Book Running Lead Manager, for reasons to be recorded in writing, extend the Bid / Offer Period for a minimum of three Working Days, subject to the Bid / Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid / Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchange, by issuing a public notice, and also by indicating the change on the respective websites of the Book Running Lead Manager and the terminals of the Syndicate Members, if any and by intimation to SCSBs, other Designated Intermediaries and the Sponsor Bank, as applicable. In case of revision of Price Band, the Bid Lot shall remain the same.

## **MINIMUM SUBSCRIPTION**

In accordance with Regulation 260 (1) of ICDR Regulations, this Offer is 100% underwritten, so this Offer is not restricted to any minimum subscription level .

As per section 39 of the new Companies Act, if the “stated minimum amount” has not been subscribed and the sum payable on Application is not received within a period of 30 days from the date of Red Herring Prospectus, the Application Amount has to be returned within such period as may be prescribed.

If our Company does not receive the subscription of 100% of the Offer through this Offer document including devolvement of Underwriters, our Company shall forthwith unblock the entire subscription amount received.

In terms of Regulation 272(2) of SEBI ICDR Regulations, in case the Company fails to obtain listing or trading permission from the stock exchanges where the specified securities are proposed to be listed, it shall refund through verifiable means the entire monies received within four days of receipt of intimation from stock exchange(s) rejecting the application for listing of specified securities, and if any such money is not repaid within four days after the issuer becomes liable to repay

it, the issuer and every director of the company who is an officer in default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at the rate of fifteen per cent per annum.

In accordance with Regulation 260 (1) of the SEBI ICDR Regulations, our Offer shall be hundred percent underwritten. Thus, the underwriting obligations shall be for the entire hundred percent of the Offer through the Draft Red Herring Prospectus and shall not be restricted to the minimum subscription level. Further, in accordance with Regulation 267 (2) of the SEBI ICDR Regulations, our Company shall ensure that the minimum application size shall not be less than ₹1.00 Lakhs (Rupees One Lakhs) per application.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be issued or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

#### **ARRANGEMENTS FOR DISPOSAL OF ODD LOTS**

The trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares in terms of the SEBI Circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, in terms of Regulation 261 (5) of the ICDR Regulations, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the EMERGE platform of National Stock Exchange of India Limited.

#### **APPLICATION BY ELIGIBLE NRIS, FPIS / FIIS REGISTERED WITH SEBI, VCFS REGISTERED WITH SEBI AND ELIGIBLE QFIS**

It is to be understood that there is no reservation for Eligible NRIs or FPIs / FIIs registered with SEBI or VCFs or Eligible QFIs. Such Eligible NRIs, Eligible QFIs, FIIs registered with SEBI will be treated on the same basis with other categories for the purpose of allocation.

NRIs, FPIs / FIIs and foreign venture capital investors registered with SEBI are permitted to purchase shares of an Indian company in a public offer without the prior approval of the RBI, so long as the price of the Equity Shares to be issued is not less than the price at which the Equity Shares are issued to residents. The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment (“FDI”) Policy and the non-resident shareholding is within the sectoral limits under the FDI policy; and (ii) the pricing is in accordance with the guidelines prescribed by the SEBI / RBI.

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FPIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and / or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India / RBI while granting such approvals.

#### **AS PER THE EXTANT POLICY OF THE GOVERNMENT OF INDIA, OCBs CANNOT PARTICIPATE IN THIS OFFER.**

As per the existing regulations, OCBs are not eligible to participate in this Offer. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No. 20/2000-RB dated May 03, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case by case basis. OCBs may invest in this Offer provided it obtains a prior approval from the RBI. On submission of such approval along with the Application Form, the OCB shall be eligible to be considered for Equity Share allocation.

#### **RESTRICTIONS ON TRANSFER AND TRANSMISSION OF SHARES OR DEBENTURES AND ON THEIR CONSOLIDATION OR SPLITTING**

Except for lock-in of the pre-offer Equity Shares and Promoters’ minimum contribution in the Offer as detailed in the Section titled, ‘*Capital Structure*’, beginning on page 78 of this Draft Red Herring Prospectus, and except as provided in the Articles of Association of our Company, there are no restrictions on transfer and transmission and on their

consolidation / splitting of Equity Shares. For further details, please refer to the Section titled, '*Main Provisions of the Articles of Association*', beginning on page 311 of this Draft Red Herring Prospectus.

The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Book Running Lead Manager are not liable to inform the Applicants of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

## NEW FINANCIAL INSTRUMENTS

As on the date of this Draft Red Herring Prospectus, there are no outstanding warrants, new financial instruments or any rights, which would entitle the shareholders of our Company, including our Promoters, to acquire or receive any Equity Shares after the Offer.

## ALLOTMENT OF EQUITY SHARES IN DEMATERIALIZED FORM

As per the provisions of the Depositories Act, 1996 and the regulations made under and Section 29(1) of the Companies Act, 2013 the Equity Shares to be allotted must be in Dematerialized form i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through electronic mode.

Further, in accordance with the ICDR Regulations, Allotment of Equity Shares to successful Applicants will only be in the dematerialized form. Applicants will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only on the dematerialized segment of the Stock Exchange. Hence, the Equity Shares being offered can be applied for in the dematerialized form only.

## MIGRATION TO MAIN BOARD

As per the provisions of the Chapter IX of the SEBI ICDR Regulations, our Company may migrate to the main board of National Stock Exchange of India Limited from the NSE EMERGE if we fulfil the criteria as per SEBI (ICDR) Regulation and as per NSE Circular dated March 07, 2024.

### A. As per NSE guidelines:

As per NSE Circular dated March 07, 2024, our Company may migrate its securities from the Emerge Platform of National Stock Exchange of India Limited to main board platform of National Stock Exchange of India Limited.

Parameter	Migration policy from NSE Emerge Platform to NSE Main Board
Paid up Capital & Market Capitalisation	The paid-up equity capital of the applicant shall not be less than 10 crores and the capitalisation of the applicant's equity shall not be less than 25 crores**  ** Explanation  For this purpose capitalisation will be the product of the price (average of the weekly high and low of the closing prices of the related shares quoted on the stock exchange during 3 months preceding the application date) and the post offer number of equity shares
Earnings before Interest, Depreciation and Tax (EBITDA) and Profit After Tax (PAT)	The applicant company should have positive cash accruals (Earnings before Interest, Depreciation and Tax) from operations for each of the 3 financial years preceding the migration application and has positive PAT in the immediate Financial Year of making the migration application to Exchange.
Listing period	The applicant should have been listed on SME platform of the Exchange for at least 3 years.
Other Listing conditions	The applicant Company has not referred to the Board of Industrial & Financial Reconstruction (BIFR) &/OR No proceedings have been admitted under Insolvency and Bankruptcy Code against the issuer and Promoting companies.  The company has not received any winding up petition admitted by a NCLT.  The Networth* of the company should be at least 75 crores

	*Net Worth – as defined under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018
Public Shareholders	Total number of public shareholders on the last day of preceding quarter from date of application should be at least 1000.
The applicant desirous of listing its securities on the main board	The Company should have made disclosures for all material Litigation(s) / dispute(s) / regulatory action(s) to the stock exchanges where its shares are listed in adequate and timely manner.

#### B. As per ICDR guidelines:

*If the Paid up Capital of our Company is likely to increase above ₹2,500 lakhs by virtue of any further issue of capital by way of rights issue, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the Main Board), our Company shall apply to National Stock Exchange of India Limited for listing of its shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.*

OR

*If the Paid up Capital of our company is more than ₹1,000 lakhs but below ₹2,500 lakhs, our Company may still apply for migration to the Main Board and if the Company fulfils the eligible criteria for listing laid by the Main Board and if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.*

*Any company desiring to migrate to the Main board from the Emerge Platform within three years of listing on Emerge platform of National Stock Exchange of India Limited has to fulfil following conditions:*

- i. The increase in post offer face value capital beyond ₹ 25 crore should arise only because of merger/acquisition or for expansion purposes.*
- ii. The company should have a minimum turnover of ₹ 100 crore as per last audited financials and market capitalization of ₹ 100 crore.*
- iii. The company should have a minimum profit before tax of ₹ 10 crore for two years out of three preceding years.*
- iv. There should not be any action against the company by any regulatory agency at the time of application for migration.*

*For detailed criteria please refer to [www.nseindia.com](http://www.nseindia.com)*

#### MARKET MAKING

The Equity Shares offered through this Offer are proposed to be listed on the Emerge Platform of National Stock Exchange of India Limited, wherein the Market Maker to this Offer shall ensure compulsory Market Making through the registered Market Makers of the Emerge platform of National Stock Exchange of India Limited for a minimum period of 3 years from the date of listing on the Emerge Platform of National Stock Exchange of India Limited.

For further details of the agreement entered into between our Company, the Book Running Lead Manager and the Market Maker please refer to Section titled, '**General Information - Details of the Market Making Arrangements for this Offer**', beginning on page 66 of this Draft Red Herring Prospectus.

#### JURISDICTION

Exclusive jurisdiction for the purpose of this Offer is with the competent courts / authorities in Kolkata, West Bengal.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and may not be Issued or sold within the United States to, or for the account or benefit of "U.S. persons" (as defined in Regulation S), except pursuant to an exemption from or in a transaction not subject to, registration



requirements of the U.S. Securities Act and applicable U.S. state Securities laws. Accordingly, the Equity Shares are only being Issued or sold outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those Issues and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be Issued or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

#### **PRE-OFFER ADVERTISEMENT**

Subject to Section 30 of the Companies Act, 2013 our Company shall, after registering the Red Herring Prospectus with the Registrar of Companies publish a pre-Offer advertisement, in the form prescribed by the SEBI (ICDR) Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation where the Registered Office of our Company is situated.

*The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Book Running Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws and regulations, which may occur after the date of this Draft Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws and regulations.*

## OFFER STRUCTURE

This Offer is being made in terms of Regulation 229(1) of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, our Company's post offer paid up capital is less than or equal to ten crore rupees. Our Company shall offer equity shares to the public and propose to list the same on the Emerge Platform of National Stock Exchange of India Limited. For further details regarding the salient features and terms of such this offer, please refer to chapter titled "*Terms of the Offer*" and "*Offer Procedure*" beginning on page 261 and 275 respectively of this Draft Red Herring Prospectus.

The Offer is of upto 25,39,800 Equity Shares for cash at a price of ₹[●] per Equity Share (including a share premium of ₹[●] per Equity Share) aggregating up to ₹[●] Lakhs comprising a Fresh Issue of upto 23,24,800 Equity Shares aggregating up to ₹[●] Lakhs and an Offer for Sale of up to 2,15,000 Equity Shares aggregating up to ₹[●] Lakhs by the Selling Shareholders.

The Offer comprises a reservation of upto [●] Equity Shares of face value of ₹10.00 each fully paid for cash at price of ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share) aggregating to ₹ [●] Lakhs for subscription by the designated Market Maker (Market Maker Reservation Portion) and a Net Offer to Public of upto [●] Equity Shares of face value of ₹ 10.00 each fully paid for cash at price of ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share) aggregating to ₹ [●] Lakhs (the Net Issue). The Offer and the Net Offer will constitute [●] % and [●] % respectively of the Post Offer Paid-up Equity Share Capital of the Company. The Offer is being made through the Book Building Process.

Particulars of the Offer <sup>(2)</sup>	Market Maker Reservation Portion	QIBs <sup>(1)</sup>	Non-Institutional Investors	Retail Individual Investors
<b>Number of Equity Shares available for allocation</b>	Upto [●] Equity Shares	Not more than [●] Equity Shares	Not less than [●] Equity Shares available for allocation or Issue less allocation to QIB Bidders and Retail Individual Bidders.	Not less than [●] Equity Shares available for allocation or Issue less allocation to QIB Bidders and Non-Institutional Bidders.
<b>Percentage of Issue Size available for allocation</b>	[●] % of the Offer Size	Not more than 50% of the Net Offer being available for allocation to QIB Bidders. However, up to 5% of the Net QIB Portion will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be added to the Net QIB Portion.	Not less than 15% of the Offer less allocation to QIB Bidders and RIBs will be available for allocation out of which (a) one third of such portion shall be reserved for applicants with application size of more than ₹200,000 and up to ₹1,000,000; and (b) two third of such portion shall be reserved for applicants with application size of more than ₹1,000,000, provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidder	Not less than 35% of the Offer less allocation to QIBs and Non-Institutional Bidders will be available for allocation

<b>Basis of Allotment<sup>(3)</sup></b>	Firm Allotment	<p>Proportionate as follows (excluding the Anchor Investor Portion):</p> <p>(a) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and</p> <p>Up to [●] Equity Shares shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above.</p> <p>Up to 60% of the QIB Portion (of up to [●] Equity Shares may be allocated on a discretionary basis to Anchor Investors of which one-third shall be available for allocation to Mutual Funds only, subject to valid Bid received from Mutual Funds at or above the Anchor Investor Allocation</p> <p>(b) Price</p>	<p>Allotment to each Non- Institutional Bidder shall not be less than the Minimum NIB Application Size, subject to the availability of Equity Shares in the Non- Institutional Portion, and the remaining Equity Shares, if any, shall be allotted on a proportionate basis as follows:</p> <p>One-third of the Non- Institutional Category will be made available for allocation to Bidders with an application size of more than ₹ 200,000 and upto ₹1,000,000</p> <p>Two-third of the Non- Institutional Category will be made available for allocation to Bidders with an application size of more than ₹ 1,000,000. For details, see “<b>Issue Procedure</b>” beginning on page 275 of this Draft Red Herring Prospectus.</p> <p>Provided that the unsubscribed portion in either of the aforementioned subcategories may be allocated to Non- Institutional Bidders in the other subcategory of Non- Institutional Bidders.</p>	<p>Allotment to each Retail Individual Bidder shall not be less than the maximum Bid lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares is any, shall be allotted on proportionate basis. For details, see “<b>Issue Procedure</b>” beginning on page 275 of this Draft Red Herring Prospectus.</p>
<b>Mode of Allotment</b>	Compulsorily in dematerialized form.			
<b>Minimum Bid Size</b>	[●] Equity Shares	Such number of Equity Shares and in multiples of [●] Equity Shares that the Bid Amount exceeds ₹200,000	Such number of Equity Shares and in multiples of [●] Equity Shares that the Bid Amount exceeds ₹200,000	[●] Equity Shares

<b>Maximum Bid Size</b>	[●] Equity Shares	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Net Issue, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Net Offer (excluding the QIB portion), subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹200,000
<b>Trading Lot</b>	[●] Equity Shares, However the Market Maker may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2018.	[●] Equity Shares and in multiples thereof	[●] Equity Shares and in multiples thereof	[●] Equity Shares and in multiples thereof
<b>Terms of Payment</b>	Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder (other than Anchor Investors) or by the Sponsor Bank through the UPI Mechanism, that is specified in the ASBA Form at the time of submission of the ASBA Form. In case of Anchor Investors: Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids <sup>(4)</sup>			
<b>Mode of Bid</b>	Only through the ASBA process.			Through ASBA Process or Through Banks or by using UPI ID for payment

*This Offer is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time.*

*(1) Our Company, Selling Shareholder may, in consultation with the Book Running Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price Anchor Investor Allocation Price.*

*(2) In terms of Rule 19(2) of the SCRR read with Regulation 252 of the SEBI (ICDR) Regulations, 2018 this is an Issue for at least 25% of the post issue paid-up Equity share capital of the Company. This Offer is being made through Book Building Process, wherein allocation to the public shall be as per Regulation 252 of the SEBI (ICDR) Regulations.*

*(3) Subject to valid Bids being received at or above the Offer Price, undersubscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company, Selling Shareholder in consultation with the Book Running Lead Manager and the Designated Stock Exchange, subject to applicable laws.*

*(4) Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Issue Price shall be payable by the Anchor Investor Pay-In Date as indicated in the CAN.*

The Bids by FPIs with certain structures as described under **“Offer Procedure - Bids by FPIs”** on page 275 and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares Allocated and Allotted to such successful Bidders (with same PAN) may be proportionately distributed.

If the Bid is submitted in joint names, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the depository account held in joint names. The signature of only the first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. Bidders will be required to confirm and will be deemed to have represented to our Company, Selling Shareholder, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

## **WITHDRAWAL OF THE OFFER**

In accordance with the SEBI (ICDR) Regulations, our Company, Selling Shareholder in consultation with Book Running Lead Manager, reserves the right not to proceed with this Offer at any time after the Offer Opening Date, but before our Board meeting for Allotment without assigning reasons thereof.

If our Company, Selling Shareholder withdraws the Offer after the Offer Closing Date, we will give reason thereof within two days by way of a public notice which shall be published in the same newspapers where the pre-offer advertisements were published.

Further, the Stock Exchanges shall be informed promptly in this regard and the Book Running Lead Manager, through the Registrar to the Offer, shall notify the SCSBs to unblock the Bank Accounts of the ASBA Applicants within one Working Day from the date of receipt of such notification.

In case our Company, Selling Shareholder withdraws the Offer after the Offer Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company, Selling Shareholder will file a fresh Offer Document with the Stock Exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Offer is also subject to obtaining the final Listing and Trading Approval of the Stock Exchange, which the Company shall apply for after Allotment. In terms of the SEBI Regulations, Non-Retail Applicants shall not be allowed to withdraw their Application after the Offer Closing Date.

## JURISDICTION

Exclusive jurisdiction for the purpose of this Offer is with the competent courts / authorities at Kolkata, West Bengal.

## OFFER PROGRAMME

<b>Bid / Offer Opens on</b>	[●] <sup>(1)</sup>
<b>Bid / Offer Closes on</b>	[●] <sup>(2)(3)</sup>
<b>Finalization of Basis of Allotment with the Designated Stock Exchange</b>	[●]
<b>Initiation of Allotment / Refunds / Unblocking of Funds from ASBA Account or UPI ID linked bank account*</b>	[●]
<b>Credit of Equity Shares to Demat accounts of Allottees</b>	[●]
<b>Commencement of trading of the Equity Shares on the Stock Exchange</b>	[●]

*Note: <sup>1</sup>Our Company, Selling Shareholder in consultation with the Book Running Lead Manager, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid / Offer Period shall be one Working Day prior to the Bid / Offer Opening Date in accordance with the SEBI ICDR Regulations.*

*<sup>2</sup>Our Company, Selling Shareholder in consultation with the Book Running Lead Manager, consider closing the Bid / Offer Period for QIBs one Working Day prior to the Bid / Offer Closing Date in accordance with the SEBI ICDR Regulations*

*<sup>3</sup>UPI mandate end time and date shall be at 5:00 pm IST on Bid/ Offer Closing Date, i.e. [●].*

Applications and any revisions to the same will be accepted only between 10.00 A.M. to 5.00 P.M. (IST) during the Offer Period at the Application Centers mentioned in the Bid-Cum-Application Form.

Standardization of cut-off time for uploading of applications on the Bid / Offer Closing Date:

- A standard cut-off time of 3.00 P.M. for acceptance of applications.
- A standard cut-off time of 4.00 P.M. for uploading of applications received from other than retail individual applicants.
- A standard cut-off time of 5.00 P.M. for uploading of applications received from only retail individual applicants, which may be extended up to such time as deemed fit by National Stock Exchange of India Limited after taking into account the total number of applications received up to the closure of timings and reported by Book Running Lead Manager to National Stock Exchange of India Limited within half an hour of such closure.

It is clarified that Bids not uploaded would be rejected. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid-Cum- Application Form, for a particular bidder, the details as per physical Bid-Cum-application form of that Bidder may be taken as the final data for the purpose of allotment.

Bids will be accepted only on Working Days, i.e., Monday to Friday (excluding bank holidays).

## OFFER PROCEDURE

All Applicants should review the General Information Document for Investing in Public Offer, prepared and issued in accordance with the circular SEBI/HO/CFD/DIL2/CIR/P/2020/37 dated 17th March 2020 notified by SEBI and updated pursuant to SEBI Circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016, SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 and updated pursuant to SEBI Circular SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 (the "General Information Document") which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document is available on the websites of Stock Exchange, the Company and the Book Running Lead Manager. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer.

Additionally, all Applicants may refer to the General Information Document for information in relation to (i) Category of investor eligible to participate in the Offer; (ii) maximum and minimum Offer size; (iii) price discovery and allocation; (iv) Payment Instructions for ASBA Applicants; (v) Issuance of CAN and Allotment in the Offer; (vi) General instructions (limited to instructions for completing the Application Form); (vii) designated date; (viii) disposal of applications; (ix) submission of Application Form; (x) other instructions (limited to joint applications in cases of individual, multiple applications and instances when an application would be rejected on technical grounds); (xi) applicable provisions of Companies Act, 2013 relating to punishment for fictitious applications; (xii) mode of making refunds; and (xiii) interest in case of delay in Allotment or refund.

SEBI through its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 and circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, has introduced an alternate payment mechanism using Unified Payments Interface ("UPI") and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIBs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. ("UPI Phase I"). The UPI Phase I was effective till June 30, 2019.

Subsequently, for applications by Retail Individual Investors through Designated Intermediaries, the process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism with existing timeline of T+6 days is applicable for a period of three months or launch of five main board public issues, whichever is later ("UPI Phase II"), with effect from July 1, 2019, by SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019, read with circular (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019. Further, as per the SEBI circular (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019, the UPI Phase II had been extended until March 31, 2020. However, due to the outbreak of COVID-19 pandemic, UPI Phase II has been further extended by SEBI until further notice, by its circular (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020. Thereafter final reduced timeline of T+3 days for the UPI Mechanism for applications by UPI Bidders ("UPI Phase III"), as may be prescribed by SEBI. Further, SEBI, vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, and circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. This circular is effective for initial public offers opening on / or after May 1, 2021, except as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, and the provisions of this circular are deemed to form part of this Draft Red Herring Prospectus. Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual Investors in initial public offerings (opening on or after May 1, 2022) whose application sizes are up to ₹500,000 shall use the UPI Mechanism.

Furthermore, SEBI vide press release bearing number 12/2023 has approved the proposal for reducing the time period for listing of shares in public offer from existing 6 working days to 3 working days from the date of the closure of the offer. The revised timeline of T+3 days shall be made applicable in two phases i.e. voluntary for all public issues opening on or after September 1, 2023 and mandatory on or after December 1, 2023. Further, SEBI has vide its circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, reduced the time taken for listing of specified securities after the closure of a public offer to three Working Days. Accordingly, the Offer will be made under UPI Phase III on a mandatory basis, subject to any circulars, clarification or notification issued by the SEBI from time to time.

The list of Banks that have been notified by SEBI as Issuer Banks for UPI are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>. The list of Stockbrokers, Depository Participants (DP), Registrar to an Issue and Share Transfer Agent (RTA) that have been notified by EMERGE Platform of National Stock Exchange of India Limited ("NSE EMERGE") to act as intermediaries for submitting Application Forms are provided on [www.nseindia.com/emerge](http://www.nseindia.com/emerge) For details on their designated branches for submitting Application Forms, please see the above-mentioned website of Platform of National Stock Exchange of India Limited ("NSE EMERGE").

*Please note that the information stated/covered in this section may not be complete and /or accurate and as such would be subject to modification / change. Our Company and Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document and is not liable for any amendment, modification or change in the applicable law, which may occur after the date of this Draft Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that their application are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Draft Red Herring Prospectus and the Red Herring Prospectus.*

*Further, the Company and the Book Running Lead Manager are not liable for any adverse occurrence's consequent to the implementation of the UPI Mechanism for application in this Offer.*

## **PHASED IMPLEMENTATION OF UPI FOR BIDS BY RETAIL INDIVIDUAL BIDDERS AS PER THE UPI CIRCULAR**

SEBI has issued circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019 and circular SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 (collectively the "UPI Circulars") in relation to streamlining the process of public offer of equity shares and convertibles. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under the ASBA) for applications by RIBs through intermediaries with the objective to reduce the time duration from public offer closure to listing from six working days to up to three working days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circular proposes to introduce and implement the UPI payment mechanism in three phases in the following manner:

**Phase I:** This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever is later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, a Retail Individual had the option to submit the Application Form with any of the intermediary and use his / her UPI ID for the purpose of blocking of funds. The time duration from public offer closure to listing continued to be six working days.

**Phase II:** This phase has become applicable from July 1, 2019 and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. Subsequently, it was decided to extend the timeline for implementation of Phase II until March 31, 2020. Further still, as per SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, the current Phase II of Unified Payments Interface with Application Supported by Blocked Amount is continued till further notice. Under this phase, submission of the ASBA Form by RIBs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds will be discontinued and will be replaced by the UPI payment mechanism. However, the time duration from public offer closure to listing continues to be six working days during this phase.

**Phase III:** This phase has become applicable on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023, vide SEBI circular bearing number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 ("T+3 Notification"). In this phase, the time duration from public offer closure to listing has been reduced to three Working Days. The Offer shall be undertaken pursuant to the processes and procedures as notified in the T+3 Notification as applicable, subject to any circulars, clarification or notification issued by the SEBI from time to time, including any circular, clarification or notification which may be issued by SEBI.

The Offer is being made under Phase III of the UPI (on a mandatory basis).

All SCSBs offering facility of making application in public issues shall also provide facility to make application using the UPI Mechanism. The Issuers will be required to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the Retail Individual Applicants into the UPI payment mechanism.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the Book Running Lead Manager.

Pursuant to the SEBI UPI Circular, SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the SEBI UPI Circular include,

appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked not later than one day from the date on which the Basis of Allotment is finalised. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law. Additionally, if there is any delay in the redressal of investors' complaints in this regard, the relevant SCSB as well as the post – offer Book Running Lead Manager will be required to compensate the concerned investor.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using the UPI Mechanism. The Issuers will be required to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the Retail Individual Applicants into the UPI payment mechanism.

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks make an application as prescribed in Annexure I of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and provide a written confirmation on compliance with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.

The list of Banks that have been notified by SEBI as Issuer Banks for UPI are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>.

Further, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, all UPI Bidders applying in public Offers where the application amount is up to ₹ 5,00,000 shall use the UPI Mechanism and shall also provide their UPI ID in the Bid cum Application Form submitted with any of the entities mentioned herein below:

- a syndicate member
- a stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) (“broker”)
- a depository participant (“DP”) (whose name is mentioned on the website of the stock exchange as eligible for this activity)
- a registrar to the Offer and shares transfer agent (“RTA”) (whose name is mentioned on the website of the stock exchange as eligible for this activity)

For further details, refer to the General Information Document to be available on the website of the Stock Exchange and the Book Running Lead Manager's.

## **BOOK BUILDING PROCEDURE**

In terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (the “SCRR”) read with Regulation 252 of SEBI ICDR Regulations, 2018, the Offer is being made for at least 25% of the post-Offer Paid-up Equity Share capital of our Company. The Offer is being made under Regulation 229(1) of Chapter IX of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 via book building process.

The allocation to the public will be made as per Regulation 253 of SEBI ICDR Regulations, wherein not more than 50% of the Offer shall be allocated on a proportionate basis to QIBs, provided that our Company, Selling Shareholder may, in consultation with the Book Running Lead Manager, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion. Further, 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Offer shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.



Accordingly, we have allocated the Net Offer i.e., not less than 35% of the Net Offer shall be available for allocation to Retail Individual Bidders and not less than 15% of the Net Offer shall be available for allocation to Non-institutional bidders and not more than 50% of the Net Offer shall be allocated on a proportionate basis to QIBs.

Subject to valid Bids being received at or above the Offer Price, undersubscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or a combination of categories at the discretion of our Company, Selling Shareholder in consultation with the Book Running Lead Manager, and the Designated Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill over from other categories or a combination of categories.

The Equity Shares, on Allotment, shall be traded only in the dematerialised segment of the Stock Exchanges.

***Bidders should note that the Equity Shares will be allotted to all successful Bidders only in dematerialized form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID and PAN and UPI ID (for RIBs using the UPI Mechanism), shall be treated as incomplete and will be rejected. Eligible Employees Bidding in the Employee Reservation Portion Bidding using the UPI Mechanism, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form.***

***Investors must ensure that their PAN is linked with Aadhaar and are in compliance with the notification dated February 13, 2020 issued by the Central Board of Direct Taxes and the press release dated June 25, 2021.***

#### **AVAILABILITY OF RED HERRING PROSPECTUS AND PROSPECTUS AND APPLICATION FORMS**

The Memorandum containing the salient features of the Red Herring Prospectus together with the Application Forms and copies of the Red Herring Prospectus may be obtained from the Registered Office of our Company, from the Registered Office of the Book Running Lead Manager to the Offer, Registrar to the Offer as mentioned in the Application form. The application forms may also be downloaded from the website of National Stock Exchange of India Limited ("NSE EMERGE") i.e. [www.nseindia.com](http://www.nseindia.com). Applicants shall only use the specified Application Form for the purpose of making an Application in terms of the Red Herring Prospectus. All the applicants shall have to apply only through the ASBA process. ASBA Applicants shall submit an Application Form either in physical or electronic form to the SCSB's authorizing blocking of funds that are available in the bank account specified in the Applicants shall only use the specified Application Form for the purpose of making an Application in terms of the Red Herring Prospectus. The Application Form shall contain space for Indicating number of specified securities subscribed for in Demat form.

#### **BID CUM APPLICATION FORM**

Copies of the Bid cum Application Form and the abridged prospectus will be available at the offices of the Book Running Lead Manager, the Designated Intermediaries, and the Registered Office of our Company. An electronic copy of the Application Form will also be available for download on the websites of the National Stock Exchange of India Limited ("NSE EMERGE") ([www.nseindia.com](http://www.nseindia.com)), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one day prior to the Offer Opening Date.

All ASBA Bidders must provide either (i) the bank account details and authorization to block funds in the ASBA Form, or (ii) the UPI ID (in case of UPI Bidders), as applicable, in the relevant space provided in the ASBA Form. The ASBA Forms that do not contain such details will be rejected.

UPI Bidders Bidding using the UPI Mechanism must provide the UPI ID in the relevant space provided in the Bid cum Application Form. Bid cum Application Forms that do not contain the UPI ID are liable to be rejected. Applications made by the UPI Bidder using third party bank account or using third party linked bank account UPI ID are liable for rejection. UPI Bidders Bidding using the UPI Mechanism may also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of SEBI.

Further, Bidders shall ensure that the Bids are submitted at the Bidding Centres only on Bid cum Application Forms bearing the stamp of a Designated Intermediary (except in case of electronic Bid cum Application Forms) and Bid cum Application Forms not bearing such specified stamp may be liable for rejection.

ASBA Bidders are also required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Bid Amount which can be blocked by the SCSBs or sponsor banks, as applicable, at the time of submitting the Bid. In order to ensure timely information to investors, SCSBs are required to send SMS alerts to investors intimating them about Bid Amounts blocked/ unblocked including details as prescribed in Annexure II of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.

The prescribed colour of the Application Form for various categories is as follows:

Category	Colour of Bid cum Application Form*
Anchor Investors <sup>1</sup>	[●]
Resident Indians, including resident QIBs, Non-Institutional Investors, Retail Individual Investors and Eligible NRIs applying on a non-repatriation basis <sup>^</sup>	[●]
Non-Residents including FPIs, Eligible NRIs, FVCIs and registered bilateral and multilateral institutions applying on a repatriation basis <sup>^</sup>	[●]

\*Excluding electronic Bid cum Application Form

<sup>^</sup>Electronic Bid cum Application Form and the abridge prospectus will be made available for download on the website of the stock exchange ([www.nseindia.com](http://www.nseindia.com))

<sup>1</sup> Bid cum Application Forms for Anchor Investors shall be available at the offices of the Book Running Lead Manager

Designated Intermediaries (other than SCSBs) after accepting Bid Cum Application Form submitted by RIIs (without using UPI for payment), NIIs and QIBs shall capture and upload the relevant details in the electronic bidding system of stock exchange(s) and shall submit / deliver the Bid Cum Application Forms to respective SCSBs where the Bidders has a bank account and shall not submit it to any non-SCSB Bank.

Further, for applications submitted to designated intermediaries (other than SCSBs), with use of UPI for payment, after accepting the Bid Cum Application Form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange(s).

Bidders shall only use the specified Bid Cum Application Form for making an Application in terms of the Draft Red Herring Prospectus.

The Bid Cum Application Form shall contain information about the Bidder and the price and the number of Equity Shares that the Bidders wish to apply for. Bid Cum Application Forms downloaded and printed from the websites of the Stock Exchange shall bear a system generated unique application number. Bidders are required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Application Amount can be blocked by the SCSB or Sponsor Bank at the time of submitting the Application.

An Investor, intending to subscribe to this Offer, shall submit a completed Bid Cum Application Form to any of the following intermediaries (Collectively called – “Designated Intermediaries”)

Sr. No.	Designated Intermediaries
1.	An SCSB, with whom the bank account to be blocked, is maintained
2.	A syndicate member (or sub-syndicate member)
3.	A stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) (‘broker’)
4.	A depository participant (‘DP’) (whose name is mentioned on the website of the stock exchange as eligible for this activity)
5.	A registrar to an issue and share transfer agent (‘RTA’) (whose name is mentioned on the website of the stock exchange as eligible for this activity)

Retails investors submitting application with any of the entities at (ii) to (v) above (hereinafter referred as “Intermediaries”), and intending to use UPI, shall also enter their UPI ID in the Bid Cum Application Form.

The aforesaid intermediary shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form, in physical or electronic mode, respectively.

The upload of the details in the electronic bidding system of stock exchange will be done by:

<b>For Applications submitted by Investors to SCSB:</b>	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
<b>For applications submitted by investors to intermediaries other than SCSBs:</b>	After accepting the Bid Cum Application Form, respective Intermediary shall capture and upload the relevant details in the electronic bidding system of the stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the Bid Cum Application Forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Offer.
<b>For applications submitted by</b>	After accepting the Bid Cum Application Form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of

<b>investors to intermediaries other than SCSBs with use of UPI for payment:</b>	stock exchange. Stock exchange shall share application details including the UPI ID with sponsor bank on a continuous basis, to enable sponsor bank to initiate mandate request on investors for blocking of funds. Sponsor bank shall initiate request for blocking of funds through NPCI to investor. Investor to accept mandate request for blocking of funds, on his / her mobile application, associated with UPI ID linked bank account.
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The Stock Exchanges shall accept the ASBA applications in their electronic bidding system only with a mandatory confirmation on the application monies blocked. For UPI Bidders using UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to UPI Bidders for blocking of funds. For ASBA Forms (other than UPI Mechanism) Designated Intermediaries (other than SCSBs) shall submit / deliver the ASBA Forms to the respective SCSB where the Bidder has an ASBA bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank.

For UPI Bidders using UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to UPI Bidders for blocking of funds. The Sponsor Bank shall initiate request for blocking of funds through NPCI to UPI Bidders, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. In accordance with BSE Circular No: 20220803-40 and National Stock Exchange of India Limited Circular No: 25/2022, each dated August 3, 2022, for all pending UPI Mandate Requests, the Sponsor Bank shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 5:00 pm on the Bid / Offer Closing Date (“Cut-Off Time”). Accordingly, UPI Bidders should accept UPI Mandate Requests for blocking off funds prior to the Cut- off Time and all pending UPI Mandate Requests at the Cut-Off Time shall lapse. Further, modification of Bids shall be allowed in parallel during the Bid / Offer Period until the Cut-Off Time. The NPCI shall maintain an audit trail for every bid entered in the Stock Exchanges bidding platform, and the liability to compensate UPI Bidders (using the UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e., the Sponsor Bank, NPCI or the bankers to an offer) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions / investor complaints to the Sponsor Bank and the Bankers to the Offer. The Book Running Lead Manager shall also be required to obtain the audit trail from the Sponsor Bank and the Bankers to the Offer for analysing the same and fixing liability.

Stock exchange shall allow modification of selected field’s viz. DP ID / Client ID or Pan ID (Either DP ID / Client ID or Pan ID can be modified but not BOTH), Bank code and Location code, in the bid details already uploaded.

Upon completion and submission of the Bid Cum Application Form to Application Collecting intermediaries, the Bidders are deemed to have authorized our Company to make the necessary changes in the Draft Red Herring Prospectus, without prior or subsequent notice of such changes to the Bidders.

#### **Availability of Abridged Prospectus and Bid Cum Application Forms**

Copies of the Bid cum Application Form and the abridged prospectus will be available at the offices of the Book Running Lead Manager, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of SCSBs (via Internet Banking) and National Stock Exchange of India Limited ([www.nseindia.com](http://www.nseindia.com)) at least one day prior to the Bid / Offer Opening Date.

Bid cum application for Anchor Investor shall be made available at the Office of the Book Running Lead Manager.

#### **Who can Bid?**

Each Bidder should check whether it is eligible to apply under applicable law, rules, regulations, guidelines and policies. Furthermore, certain categories of Bidders, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Offer or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders are requested to refer to the Draft Red Herring Prospectus for more details.

Subject to the above, an illustrative list of Bidders is as follows:

- Indian nationals’ resident in India who are not incompetent to contract under the Indian Contract Act, 1872, as amended, in single or as a joint application and minors having valid Demat account as per Demographic Details provided by the Depositories. Furthermore, based on the information provided by the Depositories, our Company shall have the right to accept the Applications belonging to an account for the benefit of minor (under guardianship);
- Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder should specify that the application is being made in the name of the HUF in the Bid Cum Application Form as follows: —Name of Sole or

First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Kartal. Applications by HUFs would be considered at par with those from individuals;

- Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
- Mutual Funds registered with SEBI;
- Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Offer;
- Indian Financial Institutions scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
- FPIs other than Category III FPI; VCFs and FVCIs registered with SEBI;
- Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
- Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the Non-Institutional Bidder 's category;
- Venture Capital Funds and Alternative Investment Fund (I) registered with SEBI; State Industrial Development Corporations;
- Foreign Venture Capital Investors registered with the SEBI;
- Trusts / societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
- Scientific and / or Industrial Research Organizations authorized to invest in equity shares;
- Insurance Companies registered with Insurance Regulatory and Development Authority, India;
- Provident Funds with minimum corpus of ₹ 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- Pension Funds and Pension Funds with minimum corpus of ₹ 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- National Investment Fund set up by Resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
- Multilateral and bilateral development financial institution;
- Eligible QFIs;
- Insurance funds set up and managed by army, navy or air force of the Union of India;
- Insurance funds set up and managed by the Department of Posts, India;
- Any other person eligible to apply in this Offer, under the laws, rules, regulations, guidelines and policies applicable to them.

**Applications not to be made by:**

- Minors (except through their Guardians)
- Partnership firms or their nominations
- Foreign Nationals (except NRIs)
- Overseas Corporate Bodies

As per the existing regulations, OCBs are not eligible to participate in this Offer. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as 138 incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No. 20/2000-RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case by case basis. OCBs may invest in this Offer provided it obtains a prior approval from the RBI. On submission of such approval along with the Bid Cum Application Form, the OCB shall be eligible to be considered for share allocation.

## MAXIMUM AND MINIMUM APPLICATION SIZE

### 1. For Retail Individual Bidders

The Application must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Application Price payable by the Bidder does not exceed 2,00,000.00. In case of revision of Applications, the Retail Individual Bidders have to ensure that the Application Price does not exceed 2,00,000.00.

### 2. For Other than Retail Individual Bidders (Non-Institutional Applicants and QIBs):

The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds ₹2,00,000.00 and in multiples of [●] Equity Shares thereafter. An application cannot be submitted for more than the Net Offer Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Bidder cannot withdraw its Application after the Offer Closing Date and is required to pay 100% QIB Margin upon submission of Application.

In case of revision in Applications, the Non-Institutional Bidders, who are individuals, have to ensure that the Application Amount is greater than ₹2,00,000.00 for being considered for allocation in the Non-Institutional Portion.

**Bidders are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.**

**The above information is given for the benefit of the Bidders. The Company and the Book Running Lead Managers are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.**

## METHOD OF BIDDING PROCESS

Our Company, Selling Shareholder in consultation with the Book Running Lead Manager will decide the Price Band and the minimum Bid lot size for the Offer and the same shall be advertised in all editions of the English national newspaper [●], all editions of Hindi national newspaper [●] and Bengali edition of [●], (Bengali being the regional language of West Bengal where our registered office is located, each with wide circulation at least two Working Days prior to the Bid / Offer Opening Date. The Book Running Lead Manager and the SCSBs shall accept Bids from the Bidders during the Bid / Offer Period.

- a) The Bid / Offer Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Bid / Offer Period maybe extended, if required, by an additional three Working Days, subject to the total Bid / Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be published in all editions of the English national newspaper [●], all editions of Hindi national newspaper [●] and Bengali edition of [●], Bengali being the regional language of West Bengal where our registered office is located, each with wide circulation and also by indicating the change on the websites of the Book Running Lead Manager.
- b) During the Bid / Offer Period, Retail Individual Bidders, should approach the Book Running Lead Manager or their authorized agents to register their Bids. The Book Running Lead Manager shall accept Bids from Anchor Investors and ASBA Bidders in Specified Cities and it shall have the right to vet the Bids during the Bid/Offer Period in accordance with the terms of the Red Herring Prospectus. ASBA Bidders should approach the Designated Branches or the Book Running Lead Manager (for the Bids to be submitted in the Specified Cities) to register their Bids.

- c) Each Bid cum Application Form will give the Bidder the choice to Bid for up to three optional prices (for details refer to the paragraph titled “Bids at Different Price Levels and Revision of Bids” below) within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Offer Price, the maximum number of Equity Shares Bid for by a Bidder / Applicant at or above the Offer Price will be considered for allocation / Allotment and the rest of the Bid(s), irrespective of the Bid Amount, will become automatically invalid.
- d) The Bidder/Applicant cannot Bid through another Bid cum Application Form after Bids through one Bid cum Application Form have been submitted to a Book Running Lead Manager or the SCSBs. Submission of a second Bid cum Application Form to either the same or to another Book Running Lead Manager or SCSB will be treated as multiple Bid and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Offer. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph **“Build-up of the Book and Revision of Bids”**.
- e) Except in relation to the Bids received from the Anchor Investors, the Book Running Lead Manager / the SCSBs will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, (“TRS”), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form.
- f) The Book Running Lead Manager shall accept the Bids from the Anchor Investors during the Anchor Investor Bid / Offer Period i.e., one working day prior to the Bid / Offer Opening Date. Bids by QIBs under the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids.
- g) Along with the Bid cum Application Form, Anchor Investors will make payment in the manner described in “Escrow Mechanism - Terms of payment and payment into the Escrow Accounts” in the section **“Offer Procedure”** beginning on page 275 of this Draft Red Herring Prospectus.
- h) Upon receipt of the Bid cum Application Form, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form, prior to uploading such Bids with the Stock Exchange.
- i) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Bids and shall not upload such Bids with the Stock Exchange.
- j) If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and will enter each Bid option into the electronic bidding system as a separate Bid and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Bidder on request.
- k) The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal / failure of the Offer or until withdrawal / rejection of the Bid cum Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Offer shall send an appropriate request to the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Bidders to the Public Issue Account. In case of withdrawal / failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

#### **BIDS AT DIFFERENT PRICE LEVELS AND REVISION OF BIDS**

- a) Our Company in consultation with the Book Running Lead Manager, and without the prior approval of, or intimation, to the Bidders, reserves the right to revise the Price Band during the Bid / Offer Period, in accordance with the SEBI ICDR Regulations, provided that (i) the Cap Price shall be less than or equal to 120% of the Floor Price, (ii) the Cap Price will be at least 105% of the Floor Price, and (iii) the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e., the floor price can move up or down to the extent of 20% of the floor price disclosed. If the revised price band decided, falls within two different price bands than the minimum application lot size shall be decided based on the price band in which the higher price falls into.
- b) Our Company in consultation with the Book Running Lead Manager, will finalize the Offer Price within the Price Band, without the prior approval of, or intimation, to the Bidders.

- c) The Bidders can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders may Bid at the Cut-off Price. However, bidding at the Cut-off Price is prohibited for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.
- d) Retail Individual Bidders, who Bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders shall submit the Bid cum Application Form along with a cheque / demand draft for the Bid Amount based on the Cap Price with the Syndicate. In case of ASBA Bidders (excluding Non-Institutional Bidders and QIB Bidders) bidding at Cut-off Price, the ASBA Bidders shall instruct the SCSBs to block an amount based on the Cap Price.
- e) The price of the specified securities offered to an anchor investor shall not be lower than the price offered to other applicants.

#### **PARTICIPATION BY ASSOCIATES / AFFILIATES OF BOOK RUNNING LEAD MANAGER AND THE SYNDICATE MEMBERS**

The Book Running Lead Manager and the Syndicate Members, if any, shall not be allowed to purchase in this Offer in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the Book Running Lead Manager and the Syndicate Members, if any, may subscribe the Equity Shares in the Offer, either in the QIB Category or in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

Neither the Book Running Lead Manager nor any persons related to the Book Running Lead Manager (other than Mutual Funds sponsored by entities related to the Book Running Lead Manager), Promoters and Promoter Group can apply in the Offer under the Anchor Investor Portion.

#### **OPTION TO SUBSCRIBE IN THE OFFER**

- a) As per Section 29(1) of the Companies Act 2013, allotment of Equity Shares shall be made in dematerialized form only. Investors will not have the option of getting allotment of specified securities in physical form.
- b) The Equity Shares, on allotment, shall be traded on the Stock Exchange in Demat segment only.
- c) A single application from any investor shall not exceed the investment limit / minimum number of Equity Shares that can be held by him / her / it under the relevant regulations / statutory guidelines and applicable law.

#### **INFORMATION FOR THE BIDDERS**

1. Our Company and the Book Running Lead Manager shall declare the Offer Opening Date and Offer Closing Date in the Draft Red Herring Prospectus to be registered with the Registrar of Companies and also publish the same in two national newspapers (one each in English and Hindi) and in a regional newspaper with wide circulation. This advertisement shall be in prescribed format.
2. Our Company will file the Red Herring Prospectus with the Registrar of Companies at least 3 (three) days before the Offer Opening Date.
3. Copies of the Bid Cum Application Form along with Abridge Prospectus and copies of the Draft Red Herring Prospectus will be available with the, the Book Running Lead Manager, the Registrar to the Offer, and at the Registered Office of our Company. Electronic Bid Cum Application Forms will also be available on the websites of the Stock Exchange.
4. Any Bidder who would like to obtain the Draft Red Herring Prospectus and / or the Bid Cum Application Form can obtain the same from our Registered Office.
5. Bidders who are interested in subscribing for the Equity Shares should approach Designated Intermediaries to register their applications.
6. Bid Cum Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and / or the Designated Branch, or the respective Designated Intermediaries. Bid Cum Application Form submitted by Applicants whose beneficiary account is inactive shall be rejected.

7. The Bid Cum Application Form can be submitted either in physical or electronic mode, to the SCSBs with whom the ASBA Account is maintained, or other Designated Intermediaries (Other than SCSBs). SCSBs may provide the electronic mode of collecting either through an internet enabled collecting and banking facility or such other secured, electronically enabled mechanism for applying and blocking funds in the ASBA Account. The Retail Individual Applicants has to apply only through UPI Channel, they have to provide the UPI ID and validate the blocking of the funds and such Bid Cum Application Forms that do not contain such details are liable to be rejected.
8. Bidders applying directly through the SCSBs should ensure that the Bid Cum Application Form is submitted to a Designated Branch of SCSB, where the ASBA Account is maintained. Applications submitted directly to the SCSB's or other Designated Intermediaries (Other than SCSBs), the relevant SCSB, shall block an amount in the ASBA Account equal to the Application Amount specified in the Bid Cum Application Form, before entering the ASBA application into the electronic system.
9. Except for applications by or on behalf of the Central or State Government and the Officials appointed by the courts and by investors residing in the State of Sikkim, the Bidders, or in the case of application in joint names, the first Bidder (the first name under which the beneficiary account is held), should mention his / her PAN allotted under the Income Tax Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participating transacting in the securities market, irrespective of the amount of transaction. Any Bid Cum Application Form without PAN is liable to be rejected. The demat accounts of Bidders for whom PAN details have not been verified, excluding person resident in the State of Sikkim or persons who may be exempted from specifying their PAN for transacting in the securities market, shall be "suspended for credit" and no credit of Equity Shares pursuant to the Offer will be made into the accounts of such Bidders.
10. The Bidders may note that in case the PAN, the DP ID and Client ID mentioned in the Bid Cum Application Form and entered into the electronic collecting system of the Stock Exchange Designated Intermediaries do not match with PAN, the DP ID and Client ID available in the Depository database, the Bid Cum Application Form is liable to be rejected.

#### **BIDS BY ANCHOR INVESTORS**

Our Company, Selling Shareholder in consultation with the Book Running Lead Manager, may consider participation by Anchor Investors in the Offer for up to 60% of the QIB Portion in accordance with the SEBI Regulations. Only QIBs as defined in Regulation 2(1) (ss) of the SEBI Regulations and not otherwise excluded pursuant to Schedule XIII of the SEBI Regulations are eligible to invest. The QIB Portion will be reduced in proportion to allocation under the Anchor Investor Portion. In the event of undersubscription in the Anchor Investor Portion, the balance Equity Shares will be added to the QIB Portion. In accordance with the SEBI Regulations, the key terms for participation in the Anchor Investor Portion are provided below.

1. Anchor Investor Bid cum Application Forms will be made available for the Anchor Investors at the offices of the Book Running Lead Manager.
2. The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount is at least 200.00 lakhs. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of 200.00 lakhs.
3. One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.
4. Bidding for Anchor Investors will open one Working Day before the Bid / Offer Opening Date and be completed on the same day.
5. Our Company in consultation with the Book Running Lead Manager, will finalize allocation to the Anchor Investors on a discretionary basis, provided that the minimum and maximum number of Allottees in the Anchor Investor Portion will be, as mentioned below:
  - where allocation in the Anchor Investor Portion is up to 200.00 Lakhs, maximum of 2 (two) Anchor Investors.
  - where the allocation under the Anchor Investor Portion is more than 200.00 Lakhs but upto 2500.00 Lakhs, minimum of 2 (two) and maximum of 15 (fifteen) Anchor Investors, subject to a minimum Allotment of 100.00 Lakhs per Anchor Investor; and
  - where the allocation under the Anchor Investor portion is more than 2500.00 Lakhs:(i) minimum of 5 (five) and maximum of 15 (fifteen) Anchor Investors for allocation upto 2500.00 Lakhs; and (ii) an additional 10



Anchor Investors for every additional allocation of 2500.00 Lakhs or part thereof in the Anchor Investor Portion; subject to a minimum Allotment of 100.00 Lakhs per Anchor Investor.

6. Allocation to Anchor Investors will be completed on the Anchor Investor Bid / Offer Period. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made will be made available in the public domain by the Book Running Lead Manager before the Bid / Offer Opening Date, through intimation to the Stock Exchange.
7. Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.
8. If the Offer Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Offer Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors within 2 (two) Working Days from the Bid / Offer Closing Date. If the Offer Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Offer Price.
9. At the end of each day of the bidding period, the demand including allocation made to anchor investors, shall be shown graphically on the bidding terminals of syndicate members and website of stock exchange offering electronically linked transparent bidding facility, for information of public.
10. Equity Shares Allotted in the Anchor Investor Portion will be locked in for a period of 30 days from the date of Allotment.
11. The Book Running Lead Manager, our Promoters, Promoter Group, Selling Shareholder or any person related to them (except for Mutual Funds sponsored by entities related to the Book Running Lead Manager) will not participate in the Anchor Investor Portion. The parameters for selection of Anchor Investors will be clearly identified by the Book Running Lead Manager and made available as part of the records of the Book Running Lead Manager for inspection by SEBI.
12. Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.
13. Anchor Investors are not permitted to Bid in the Offer through the ASBA process.

#### **BIDS BY ELIGIBLE NRI'S**

Eligible NRIs may obtain copies of Bid cum Application Form from the offices of the Book Running Lead Manager and the Designated Intermediaries. Eligible NRI Bidders bidding on a repatriation basis by using the Non- Resident Forms should authorize their SCSB to block their Non-Resident External (“NRE”) accounts, or Foreign Currency Non-Resident (“FCNR”) ASBA Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non- Resident Ordinary (“NRO”) accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form.

Eligible NRIs bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (white in colour).

Eligible NRIs bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour).

#### **BIDS BY FPI INCLUDING FII'S**

In terms of the SEBI FPI Regulations, any qualified foreign investor or FII who holds a valid certificate of registration from SEBI shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. An FII or a sub-account may participate in this Issue, in accordance with Schedule 2 of the FEMA Regulations, until the expiry of its registration with SEBI as an FII or a sub-account. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued by the designated depository participant under the FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason. An FII or subaccount may, subject to payment of conversion fees under the SEBI FPI Regulations, participate in the Offer, until the expiry of its registration as a FII or sub-account, or until it obtains a certificate of registration as FPI, whichever is earlier. Further, in case of Bids made by SEBI-registered FIIs or sub-accounts, which are not registered as FPIs, a certified copy of the certificate of registration

as an FII issued by SEBI is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason.

In terms of the SEBI FPI Regulations, the Offer of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10% of our post-Offer Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectorial cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included. The existing individual and aggregate investment limits an FII or sub account in our Company is 10% and 24% of the total paid-up Equity Share capital of our Company, respectively.

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may offer or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with know your client norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority.

FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for Non- Residents (blue in colour).

#### **BIDS BY SEBI REGISTERED VCF'S, AIF'S AND FVCI'S**

The SEBI FVCI Regulations, SEBI VCF Regulations and the SEBI AIF Regulations prescribe, inter alia, the investment restrictions on the FVCIs, VCFs and AIFs registered with SEBI respectively. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

Category I AIF and Category II AIF cannot invest more than 25% of the investible funds in one Investee Company directly or through investment in the units of other AIFs. A Category III AIF cannot invest more than 10% of the investible funds in one Investee Company directly or through investment in the units of other AIFs. AIFs which are authorized under the fund documents to invest in units of AIFs are prohibited from offering their units for subscription to other AIFs. A VCF registered as a Category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its investible funds by way of subscription to an initial public offering of a venture capital undertaking. Additionally, a VCF that has not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations (and accordingly shall not be allowed to participate in the Issue) until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

Further, the shareholding of VCFs, category I AIFs or category II AIFs and FVCIs holding Equity Shares prior to Offer, shall be locked-in for a period of at least one year from the date of purchase of such Equity Shares.

All non-resident investors should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Our Company, Selling Shareholder or the Book Running Lead Manager will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

#### **BIDS BY HUF'S**

Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder should specify that the Application is being made in the name of the HUF in the Bid cum Application Form as follows: “Name of sole or first Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta”. Bid cum Applications by HUFs may be considered at par with Bid cum Applications from individuals.

#### **BIDS BY MUTUAL FUNDS**

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company’s paid-up share capital carrying voting rights.

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, our Company, Selling Shareholder reserves the right to accept or reject any Bid cum Application in whole or in part, in either case, without assigning any reason thereof.

In case of a mutual fund, a separate Bid cum Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple applications provided that the Bids clearly indicate the scheme concerned for which the Bids has been made.

The Bids made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

#### **BIDS BY SYSTEMATICALLY IMPORTANT NON-BANKING FINANCIAL COMPANIES**

In case of Applications made by Systemically Important Non-Banking Financial Companies, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements and a Networth certificate from its statutory auditor(s) and such other approval as may be required by the Systemically Important NBFCs are required to be attached to the Bid cum Application Form.

Failing this, our Company, Selling Shareholder reserve the right to reject any Application, without assigning any reason thereof. Systemically Important Non-Banking Financial Companies participating in the Offer shall comply with all applicable legislations, regulations, directions, guidelines and circulars issued by RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

#### **BIDS BY LIMITED LIABILITY PARTNERSHIPS**

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company, Selling Shareholder reserves the right to reject any bid without assigning any reason thereof. Limited liability partnerships can participate in the Offer only through the ASBA process.

#### **BIDS BY INSURANCE COMPANIES**

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Bid cum Application Form. Failing this, our Company, Selling Shareholder reserves the right to reject any Bid by Insurance Companies without assigning any reason thereof. The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, based on investments in equity shares of the investee company, the entire group of the investee company and the industry sector in which the investee company operates. Insurance companies participating in the Offer are advised to refer to the IRDAI Investment Regulations 2016, as amended, are broadly set forth below:

- Equity shares of a company: the least of 10% of the investee company’s subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- The entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- The industry sector in which the investee company belong to: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (1), (2) and (3) above, as the case may be.

*\*The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of ₹ 25,000,000 lakhs or more and 12% of outstanding equity shares (face value) for insurers with investment assets of ₹ 5,000,000 lakhs or more but less than ₹ 25,000,000 lakhs.*

Insurance companies participating in this Offer shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

#### **BIDS UNDER POWER OF ATTORNEY**

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FIIs, Eligible FPI's, Mutual Funds, insurance companies, Systemically Important NBFCs, , insurance funds set up by the army, navy or air force of the Union of India, insurance funds set up by the Department of Posts, India, or the National Investment Fund and provident funds with a minimum corpus of ₹ 2500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of ₹2500 Lakhs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and / or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reasons thereof. In addition to the above, certain additional documents are required to be submitted by the following entities:

- a) With respect to Bids by FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form.
- b) With respect to Bids by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged along with the Bid cum Application Form.
- c) With respect to Bids made by provident funds with a minimum corpus of ₹ 2500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of ₹ 2500 Lakhs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund / pension fund must be lodged along with the Bid cum Application Form.
- d) With respect to Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form.
- e) Our Company in consultation with the Book Running Lead Manager in their absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application form, subject to such terms and conditions that our Company and the Book Running Lead Manager may deem fit.

The above information is given for the benefit of the Bidders. Our Company, Selling Shareholder, the Book Running Lead Manager and the Syndicate Members are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and Bidders are advised to ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Draft Red Herring Prospectus.

#### **BIDS BY PROVIDENT FUNDS / PENSION FUNDS**

In case of Bids made by provident funds with minimum corpus of ₹25.00 Crore (subject to applicable law) and pension funds with minimum corpus of ₹25.00 Crore, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund / pension fund must be lodged along with the Bid cum Application Form. Failing this, the Company, Selling Shareholder reserves the right to accept or reject any bid in whole or in part, in either case, without assigning any reason thereof.

#### **BIDS BY BANKING COMPANY**

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the

Bid cum Application Form, failing which our Company, Selling Shareholder reserves the right to reject any Bid by a banking company without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the “Banking Regulation Act”), and the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company not being its subsidiary engaged in non-financial services or 10% of the banks’ own paid-up share capital and reserves, whichever is lower. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt / corporate debt restructuring / strategic debt restructuring, or to protect the banks’ interest on loans / investments made to a company. The bank is required to submit a time bound action plan for disposal of such shares within a specified period to RBI. A banking company would require a prior approval of RBI to make (i) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exception prescribed), and (ii) investment in a nonfinancial services company in excess of 10% of such investee company’s paid-up share capital as stated in 5(a)(v)(c)(i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016.

#### **BIDS BY SCSB’S**

SCSBs participating in the Offer are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making Bid cum Applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making Bid cum application in public issues and clear demarcated funds should be available in such account for such Bid cum applications.

#### **ISSUANCE OF A CONFIRMATION NOTE (“CAN”) AND ALLOTMENT IN THE OFFER**

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the Book Running Lead Manager or Registrar to the Offer shall send to the SCSBs a list of their Bidders who have been allocated Equity Shares in the Offer.
2. The Registrar will then dispatch a CAN to their Bidders who have been allocated Equity Shares in the Offer. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder.

#### **OFFER PROCEDURE FOR APPLICATION SUPPORTED BY BLOCKED ACCOUNT (ASBA) BIDDERS**

In accordance with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Bidders have to compulsorily apply through the ASBA Process. Our Company and the Book Running Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. ASBA Bidders are advised to make their independent investigations and to ensure that the ASBA Bid Cum Application Form is correctly filled up, as described in this section.

The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. For details on designated branches of SCSB collecting the Bid Cum Application Form, please refer the above-mentioned SEBI link.

#### **TERMS OF PAYMENT**

The entire Offer price of ₹ [●] per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Bidders.

SCSBs will transfer the amount as per the instruction of the Registrar to the Public Issue Account, the balance amount after transfer will be unblocked by the SCSBs.

The Bidders should note that the arrangement with Bankers to the Offer or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Selling Shareholder, Banker to the Offer and the Registrar to the Offer to facilitate collections from the Bidders.

#### **PAYMENT MECHANISM**

The Bidders shall specify the bank account number in their Bid Cum Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Bid Cum Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal / rejection of the Application or receipt of instructions from the Registrar to unblock the Application Amount. However, Non-Retail Bidders shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Bid Cum Application Form or for unsuccessful Bid Cum Application Forms, the Registrar to the Offer shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Offer and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal / failure of the Offer or until rejection of the Application by the ASBA Bidder, as the case may be.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public Issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self-Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public Issue have to use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.

### **PAYMENT INTO ESCROW ACCOUNT FOR ANCHOR INVESTORS**

All the investors other than Anchor Investors are required to bid through ASBA Mode. Anchor Investors are requested to note the following:

Our Company, Selling Shareholder in consultation with the Book Running Lead Manager, in its absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of:

- a) In case of resident Anchor Investors: — “[●]”
- b) In case of Non-Resident Anchor Investors: — “[●]”
- c) Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Syndicate, the Escrow Collection Bank and the Registrar to the Offer to facilitate collections from the Anchor Investors.

### **ELECTRONIC REGISTRATION OF APPLICATIONS**

1. The Designated Intermediaries will register the applications using the on-line facilities of the Stock Exchange.
2. The Designated Intermediaries will undertake modification of selected fields in the application details already uploaded before 1.00 p.m. of next Working Day from the Offer Closing Date.
3. The Designated Intermediaries shall be responsible for any acts, mistakes or errors or omissions and commissions in relation to,
  - a) the applications accepted by them,
  - b) the applications uploaded by them
  - c) the applications accepted but not uploaded by them or
  - d) With respect to applications by Bidders, applications accepted and uploaded by any Designated Intermediary other than SCSBs, the Bid Cum Application Form along with relevant schedules shall be sent to the SCSBs or the Designated Branch of the relevant SCSBs for blocking of funds and they will be responsible for blocking the necessary amounts in the ASBA Accounts. In case of Application accepted and uploaded by SCSBs, the SCSBs or the Designated Branch of the relevant SCSBs will be responsible for blocking the necessary amounts in the ASBA Accounts.
4. Neither the Book Running Lead Manager nor our Company nor Selling Shareholder nor the Registrar to the Issue, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to;
  - (i) The applications accepted by any Designated Intermediaries

- (ii) The applications uploaded by any Designated Intermediaries or
- (iii) The applications accepted but not uploaded by any Designated Intermediaries

5. The Stock Exchange will offer an electronic facility for registering applications for the Offer. This facility will be available at the terminals of Designated Intermediaries and their authorized agents during the Offer Period. The Designated Branches or agents of Designated Intermediaries can also set up facilities for off-line electronic registration of applications subject to the condition that they will subsequently upload the off-line data file into the online facilities on a regular basis. On the Offer Closing Date, the Designated Intermediaries shall upload the applications till such time as may be permitted by the Stock Exchange. This information will be available with the Book Running Lead Manager on a regular basis.
6. With respect to applications by Bidders, at the time of registering such applications, the Syndicate Bakers, DPs and RTAs shall forward a Schedule as per format given below along with the Bid Cum Application Forms to Designated Branches of the SCSBs for blocking of funds:

Sr. No.	Details*
1.	Symbol
2.	Intermediary Code
3.	Location Code
4.	Application No.
5.	Category
6.	PAN
7.	DP ID
8.	Client ID
9.	Quantity
10.	Amount

*\*Stock Exchanges shall uniformly prescribe character length for each of the above-mentioned fields.*

7. With respect to applications by Bidders, at the time of registering such applications, the Designated Intermediaries shall enter the following information pertaining to the Bidders into the on-line system:
  - Name of the Bidder;
  - IPO Name;
  - Bid Cum Application Form Number;
  - Investor Category PAN (of First Bidder, if more than one Bidder);
  - DP ID of the demat account of the Bidder;
  - Client Identification Number of the demat account of the Bidder;
  - Number of Equity Shares Applied for;
  - Bank Account details;
  - Locations of the Banker to the Offer or Designated Branch, as applicable, and bank code of the SCSB branch where the ASBA Account is maintained; and
  - Bank account number.
8. In case of submission of the Application by a Bidder through the Electronic Mode, the Bidder shall complete the above-mentioned details and mention the bank account number, except the Electronic ASBA Bid Cum Application Form number which shall be system generated.
9. The aforesaid Designated Intermediaries shall, at the time of receipt of application, give an acknowledgment to the investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form in physical as well as electronic mode. The registration of the Application by the

Designated Intermediaries does not guarantee that the Equity Shares shall be allocated/allotted either by our Company.

10. Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.
11. In case of Non-Retail Bidders and Retail Individual Bidders, applications would not be rejected except on the technical grounds as mentioned in the Draft Red Herring Prospectus. The Designated Intermediaries shall have no right to reject applications, except on technical grounds.
12. The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Book Running Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our company; our Promoters, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus, nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.
13. The Designated Intermediaries will be given time till 1.00 p.m. on the next working day after the Bid / Offer Closing Date to verify the DP ID and Client ID uploaded in the online IPO system during the Offer Period, after which the Registrar to the Offer will receive this data from the Stock Exchange and will validate the electronic application details with Depository's records. In case no corresponding record is available with Depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such applications are liable to be rejected.
14. The SCSBs shall be given one day after the Bid / Offer Closing Date to send confirmation of Funds blocked (Final certificate) to the Registrar to the Offer.
15. The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for applications.

#### **BUILD OF THE BOOK**

- a) Bids received from various Bidders through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchange on a regular basis. The book gets built up at various price levels. This information may be available with the Book Running Lead Manager at the end of the Bid / Offer Period.
- b) Based on the aggregate demand and price for Bids registered on the Stock Exchange Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchange may be made available at the Bidding centres during the Bid / Offer Period.

#### **WITHDRAWAL OF BIDS**

- a) RIIs can withdraw their Bids until Bid / Offer Closing Date. In case a RII wishes to withdraw the Bid during the Bid / Offer Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.
- b) The Registrar to the Offer shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

#### **PRICE DISCOVERY AND ALLOCATION**

- a) Based on the demand generated at various price levels, our Company, Selling Shareholder in consultation with the Book Running Lead Manager, shall finalise the Offer Price and the Anchor Investor Offer Price.
- b) The SEBI ICDR Regulations, 2018 specify the allocation or Allotment that may be made to various categories of Bidders in an Offer depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Offer size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the Red Herring Prospectus. For details in relation to allocation, the Bidder may refer to the Red Herring Prospectus.
- c) Under-subscription in any category (except QIB Category) is allowed to be met with spill over from any other category or combination of categories at the discretion of the Issuer and the in consultation with the Book Running



Lead Manager and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations. Unsubscribed portion in QIB Category is not available for subscription to other categories.

- d) In case of under subscription in the Offer, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Offer. For allocation in the event of an undersubscription applicable to the Issuer, Bidders may refer to the Red Herring Prospectus.
- e) In case if the Retail Individual Investor category is entitled to more than the allocated portion on proportionate basis, the category shall be allotted that higher percentage.
- f) Allocation to Anchor Investors shall be at the discretion of our Company and in consultation with the Book Running Lead Manager, subject to compliance with the SEBI Regulations.

**Illustration of the Book Building and Price Discovery Process:** Bidders should note that this example is solely for illustrative purposes and is not specific to the Offer; it also excludes Bidding by Anchor Investors. Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹20 to ₹24 per share, Offer size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

Bid Quantity	Bid Amount (₹)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Offer the desired number of Equity Shares is the price at which the book cuts off, i.e., ₹22.00 in the above example. The Issuer, in consultation with the Book Running Lead Manager, may finalise the Offer Price at or below such Cut-Off Price, i.e., at or below ₹22.00. All Bids at or above this Offer Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

#### **SIGNING OF UNDERWRITING AGREEMENT AND REGISTERING OF RED HERRING PROSPECTUS / PROSPECTUS WITH REGISTRAR OF COMPANIES**

- a) Our Company, Selling Shareholder has entered into an Underwriting Agreement dated January 07, 2025.
- b) A copy of Red Herring Prospectus will be registered with the Registrar of Companies and copy of Prospectus will be registered with Registrar of Companies in terms of Section 26, 28 & 32 of Companies Act, 2013.

#### **PRE-OFFER ADVERTISEMENT**

Subject to Section 30 of the Companies Act 2013, our Company shall, after registering the Draft Red Herring Prospectus with the Registrar of Companies, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in (i) English National Newspaper; (ii) Hindi National Newspaper and (iii) Regional Newspaper each with wide circulation. In the pre-Issue advertisement, we shall state the Bid Opening Date and the Bid / offer Closing Date and the floor price or price band along with necessary details subject to regulation 250 of SEBI ICDR Regulations. This advertisement, subject to the provisions of section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule X of the SEBI Regulations.

#### **ADVERTISEMENT REGARDING OFFER PRICE AND PROSPECTUS**

Our Company, Selling Shareholder will issue a statutory advertisement after the filing of the Prospectus with the Registrar of Companies. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the final derived Offer Price. Any material updates between the date of the Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

#### **GENERAL INSTRUCTIONS**

Please note that the NIIs are not permitted to withdraw their bids or lower the size of Bids in terms of quantity of Equity Shares or Bid Amount) at any stage. Retail Individual Investor can revise their Bids during the Bid / Offer period and withdraw their Bids until Bid / Offer Closing date.

Anchor investors are not allowed to withdraw their Bids after Anchor Investors bidding date.

**Do's:**

1. Check if you are eligible to apply as per the terms of the Draft Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
4. Ensure that the details about the PAN, DP ID, Client ID, UPI ID are correct, and the Bidders depository account is active, as Allotment of the Equity Shares will be in the dematerialized form only;
5. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre;
6. If the first applicant is not the account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;
7. In case of Joint bids, ensure the first bidder is the ASBA Account holder (or the UPI linked bank account holder, as the case may be) and the signature of the first bidder is included in the Bid cum Application Form;
8. QIBs, Non-Institutional Bidders and the Retail Bidders should submit their Bids through the ASBA process only. However, pursuant to SEBI circular dated November 01, 2018, RII may submit their bid by using UPI mechanism for payment.
9. Ensure that the name(s) given in the Bid cum Application Form is / are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;
10. Ensure that you request for and receive a stamped acknowledgement of the Bid cum Application Form for all your Bid options;
11. Ensure that you have funds equal to the Bid Amount in the Bank Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process or application forms submitted by RIIs using UPI mechanism for payment, to the respective member of the Syndicate (in the Specified Locations), the SCSBs, the Registered Broker (at the Broker Centers), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);
12. Submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
13. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
14. Ensure that the Demographic Details are updated, true and correct in all respects;
15. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;

16. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
17. Ensure that the category and the investor status is indicated;
18. Ensure that in case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are submitted;
19. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
20. Bidders should note that in case the DP ID, Client ID and the PAN mentioned in their Bid cum Application Form and entered into the online IPO system of the Stock Exchange by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Bids are liable to be rejected. Where the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form;
21. Ensure that the Bid cum Application Forms are delivered by the Bidders within the time prescribed as per the Bid cum Application Form and the Red Herring Prospectus;
22. Ensure that you have mentioned the correct ASBA Account number or UPI ID in the Bid cum Application Form;
23. Ensure that you have mentioned the details of your own bank account for blocking of fund or your own bank account linked UPI ID to make application in the Public Offer;
24. Ensure that on receipt of the mandate request from sponsor bank, you have taken necessary step in timely manner for blocking of fund on your account through UPI ID using UPI application;
25. Ensure that you have correctly signed the authorization / undertaking box in the Bid cum Application Form, or have otherwise provided an authorization to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid;
26. Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Bid cum Application Form; and
27. The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

**Don'ts:**

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid / revise Bid Amount to less than the Floor Price or higher than the Cap Price;
3. Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;
4. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only.
5. Do not submit the Bid cum Application Forms to any non-SCSB bank or our Company;
6. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
7. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
8. Do not instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;
9. Do not Bid for a Bid Amount exceed ₹ 2,00,000.00 (for Applications by Retail Individual Bidders);
10. Do not fill up the Bid cum Application Form such that the Equity Shares Application exceeds the Offer size and / or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or

regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;

11. Do not submit the General Index Register number instead of the PAN;
12. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are blocked in the relevant ASBA Account;
13. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Applicant;
14. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
15. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
16. Do not submit a Bid by using details of the third party's bank account or UPI ID which is linked with bank account of the third party. Kindly note that Bids made using third party bank account or using third party linked bank account UPI ID are liable for rejection.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

## **OTHER INSTRUCTIONS FOR THE BIDDERS' JOINT BIDS**

### **Joint Bids**

In the case of Joint Bids, the Bids should be made in the name of the Bidders whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidders would be required in the Bid cum Application Form / Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. All payments may be made out in favour of the Bidder whose name appears in the Bid cum Application Form or the Revision Form and all communications may be addressed to such Bidder and may be dispatched to his or her address as per the Demographic Details received from the Depositories.

### **Multiple Bids**

Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of Bids at three different price levels in the Bid cum Application Form and such options are not considered as multiple Bids. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate, SCSB or Registered Broker and duplicate copies of Bid\ cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

### **Investor Grievance**

In case of any pre-offer or post offer related problems regarding demat credit / refund orders / unblocking etc. the Investors can contact the Compliance Officer of our Company.

### **Nomination Facility to Bidders**

Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders should inform their respective DP.

### **Submission of Bids**

- a) During the Bid / Offer Period, Bidders may approach any of the Designated Intermediaries to register their Bids.
- b) In case of Bidders (excluding NIIs and QIBs) Bidding at cut-off price, the Bidders may instruct the SCSBs to block Bid Amount based on the Cap Price less Discount (if applicable).
- c) For details of the timing on acceptance and upload of Bids in the Stock Exchange platform Bidders are requested to refer to the Draft Red Herring Prospectus.

## GROUPS OF TECHNICAL REJECTIONS

Bidders are advised to note that Bids are liable to be rejected inter alia on the following technical grounds:

- Amount blocked does not tally with the amount payable for the Equity Shares applied for;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- Bid by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not mentioned in the Bid cum Application Form;
- Bids at a price less than the Floor Price and Bids at a price more than the Cap Price;
- GIR number furnished instead of PAN;
- Bid for lower number of Equity Shares than specified for that category of investors;
- Bids at Cut-off Price by NIIs and QIBs;
- Bids for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the Draft Red Herring Prospectus;
- The amounts mentioned in the Bid cum Application Form / Application Form does not tally with the amount payable for the value of the Equity Shares Bid / Applied for;
- Bids for lower number of Equity Shares than the minimum specified for that category of investors;
- Category not ticked;
- Multiple Bids as defined in the Draft Red Herring Prospectus;
- In case of Bids under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- Bid accompanied by Stock invest / money order / postal order / cash / cheque / demand draft / pay order;
- Signature of sole Bidder is missing;
- Bid cum Application Forms not delivered by the Bidder within the time prescribed as per the Bid cum Application Forms, Bid / Offer Opening Date advertisement and the Draft Red Herring Prospectus and as per the instructions in the Draft Red Herring Prospectus and the Bid cum Application Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary 's account numbers.
- Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Bid by OCBs;
- Bids by US persons other than in reliance on Regulation S or "qualified institutional buyers" as defined in Rule 144A under the Securities Act.
- Inadequate funds in the bank account to block the Bid Amount specified in the Bid cum Application Form / Application Form at the time of blocking such Bid Amount in the bank account;
- Bids not uploaded on the terminals of the Stock Exchanges.
- Where no confirmation is received from SCSB for blocking of funds;

- Bids by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form / Application Form. Bids not duly signed by the sole / First Bidder;
- Bids by any persons outside India if not in compliance with applicable foreign and Indian laws;
- Bids that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Bids by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals; and
- Details of ASBA Account not provided in the Bid cum Application form.

For details of instructions in relation to the Bid cum Application Form, Bidders may refer to the relevant section the BID.

**BIDDERS SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE BID CUM APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGES BY THE BIDS COLLECTING INTERMEDIARIES DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE BID CUM APPLICATION FORM IS LIABLE TO BE REJECTED.**

#### **BASIS OF ALLOCATION**

- The SEBI (ICDR) Regulations specify the allocation or Allotment that may be made to various categories of Bidders in an Offer depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Offer size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the Draft Red Herring Prospectus. For details in relation to allocation, the Bidder may refer to the Red Herring Prospectus.
- Under-subscription in any category (except QIB Category) is allowed to be met with spill over from any other category or combination of categories at the discretion of the Issuer and in consultation with the Book Running Lead Manager and the Designated Stock Exchange and in accordance with the SEBI (ICDR) Regulations, Unsubscribed portion in QIB Category is not available for subscription to other categories.
- In case of under subscription in the offer, spill-over to the extent of such under- subscription may be permitted from the Reserved Portion to the Offer. For allocation in the event of an under-subscription applicable to the Issuer, Bidders may refer to the Red Herring Prospectus.

#### **ALLOTMENT PROCEDURE**

The Allotment of Equity Shares to Bidders other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders may refer to Red Herring Prospectus. No Retail Individual Investor will be Allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be Allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Offer. However, in case the Offer is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

Flow of Events from the closure of bidding period (T DAY) Till Allotment:

1. On T Day, RTA to validate the electronic bid details with the depository records and also reconcile the final certificates received from the Sponsor Bank for UPI process and the SCSBs for ASBA and Syndicate ASBA process with the electronic bid details.
2. RTA identifies cases with mismatch of account number as per bid file / Final Certificate and as per applicant's bank account linked to depository demat account and seek clarification from SCSB to identify the applications with third party account for rejection.
3. Third party confirmation of applications to be completed by SCSBs on T+1 day.

4. RTA prepares the list of final rejections and circulate the rejections list with BRLM(s)/ Company for their review/comments.
5. Post rejection, the RTA submits the basis of allotment with the Designated Stock Exchange (DSE).
6. The Designated Stock Exchange (DSE), post verification approves the basis and generates drawal of lots wherever applicable, through a random number generation software.
7. The RTA uploads the drawal numbers in their system and generates the final list of allottees as per process mentioned below:

Process for generating list of allottees: -

- a) Instruction is given by RTA in their Software System to reverse category wise all the application numbers in the ascending order and generate the bucket /batch as per the allotment ratio. For example, if the application number is 78654321 then system reverses it to 12345687 and if the ratio of allottees to applicants in a category is 2:7 then the system will create lots of 7. If the drawal of lots provided by Designated Stock Exchange (DSE) is 3 and 5 then the system will pick every 3rd and 5th application in each of the lot of the category and these applications will be allotted the shares in that category.
- b) In categories where there is proportionate allotment, the Registrar will prepare the proportionate working based on the oversubscription times.
- c) In categories where there is undersubscription, the Registrar will do full allotment for all valid applications.
- d) On the basis of the above, the RTA will work out the allottees, partial allottees and non- allottees, prepare the fund transfer letters and advice the SCSBs to debit or unblock the respective accounts.

## **BASIS OF ALLOTMENT**

Allotment will be made in consultation with the National Stock Exchange of India Limited. In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

1. The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the oversubscription ratio (number of applicants in the category X number of Shares applied for).
2. The number of Shares to be allocated to the successful applicants will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
  - a) For applications where the proportionate allotment works out to less than [●] equity shares the allotment will be made as follows:
    1. Each successful applicant shall be allotted [●] equity shares; and
    2. The successful applicants out of the total applicants for that category shall be determined by the drawl of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.
  - b) If the proportionate allotment to an applicant works out to a number that is not a multiple of [●] equity shares, the applicant would be allotted Shares by rounding off to the nearest multiple of [●] equity shares subject to a minimum allotment of [●] equity shares.
  - c) If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares. If as a result of the process of rounding off to the nearest multiple of [●] equity shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the offer specified under the Capital Structure mentioned in Prospectus.
  - d) The above proportionate allotment of shares in an Offer that is oversubscribed shall be subject to the reservation for small individual applicants as described below:

1. As the retail individual investor category is entitled to more than fifty percent on proportionate basis, the retail individual investors shall be allocated that higher percentage.
2. The balance net offer of shares to the public shall be made available for allotment to
  - a. Individual applicants other than retails individual investors and
  - b. Other investors, including Corporate Bodies/ Institutions irrespective of number of shares applied for.
3. The unsubscribed portion of the net offer to any one of the categories specified in a) or b) shall/may be made available for allocation to applicants in the other category, if so required.

Retail Individual Investor' means an investor who applies for shares of value of not more than ₹ 2,00,000/. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with National Stock Exchange of India Limited.

The Executive Director / Managing Director of National Stock Exchange of India Limited – the Designated Stock Exchange in addition to BRLM and Registrar to the Public Offer shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations.

**a) For Retail Individual Bidders**

Bids received from the Retail Individual Bidders at or above the Offer Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Bidders will be made at the Offer Price.

The Offer size less Allotment to Non-Institutional and QIB Bidders shall be available for Allotment to Retail Individual Bidders who have Bid in the Offer at a price that is equal to or greater than the Offer Price. If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Offer Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.

If the aggregate demand in this category is greater than [●] Equity Shares at or above the Offer Price, the Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate Basis of Allotment, refer below.

**b) For Non-Institutional Bidders**

Bids received from Non-Institutional Bidders at or above the Offer Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non- Institutional Bidders will be made at the Offer Price.

The Offer size less Allotment to QIBs and Retail shall be available for Allotment to Non- Institutional Bidders who have Bid in the Offer at a price that is equal to or greater than the Offer Price. If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Offer Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.

In case the aggregate demand in this category is greater than [●] Equity Shares at or above the Offer Price, Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate Basis of Allotment refer below.

**c) For QIBs**

For the Basis of Allotment to Anchor Investors, Bidders / Applicants may refer to the SEBI ICDR Regulations or Red Herring Prospectus / Prospectus. Bids received from QIBs Bidding in the QIB Category (net of Anchor Portion) at or above the Offer Price may be grouped together to determine the total demand under this category. The QIB Category may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Offer Price. Allotment may be undertaken in the following manner: Allotment shall be undertaken in the following manner:

- a) In the first instance allocation to Mutual Funds for [●] % of the QIB Portion shall be determined as follows:
  - In the event that Bids by Mutual Fund exceeds [●] % of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for [●] % of the QIB Portion.



- In the event that the aggregate demand from Mutual Funds is less than [●] % of the QIB Portion then all Mutual Funds shall get full Allotment to the extent of valid Bids received above the Offer Price.
  - Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available for Allotment to all QIB Bidders as set out in (b) below;
- b) In the second instance Allotment to all QIBs shall be determined as follows:
- In the event that the oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Offer Price shall be allotted Equity Shares on a proportionate basis, upto a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter for [●] % of the QIB Portion.
  - Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis, upto a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, along with other QIB Bidders.
  - Under-subscription below [●] % of the QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis. The aggregate Allotment to QIB Bidders shall not be more than [●] Equity Shares.

**d) ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE)**

- a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Allocation Price will be at the discretion of the Issuer, in consultation with the Book Running Lead Manager, subject to compliance with the following requirements:
- i) not more than 60% of the QIB Portion will be allocated to Anchor Investors;
- ii) one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and
- iii) allocation to Anchor Investors shall be on a discretionary basis and subject to:
- a maximum number of two Anchor Investors for allocation up to ₹2 crores;
  - a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹2 crores and up to ₹25 crores subject to minimum allotment of ₹1 crores per such Anchor Investor; and
  - in case of allocation above twenty-five crore rupees; a minimum of 5 such investors and a maximum of 15 such investors for allocation up to twenty-five crore rupees and an additional 10 such investors for every additional twenty-five crore rupees or part thereof, shall be permitted, subject to a minimum allotment of one crore rupees per such investor.
- b) A physical book is prepared by the Registrar on the basis of the Anchor Investor Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the Issuer, in consultation with the Book Running Lead Manager, selected Anchor Investors will be sent a CAN and if required, a revised CAN.
- c) In the event that the Offer Price is higher than the Anchor Investor Allocation Price:

Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Offer Price and the Anchor Investor Allocation Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors.

- d) In the event the Offer Price is lower than the Anchor Investor Allocation Price:

Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

- e) Basis of Allotment for QIBs (other than Anchor Investors) and NIIs in case of Over Subscribed Offer:

In the event of the Offer Being Over-Subscribed, the Issuer may finalise the Basis of Allotment in consultation with the NSE Emerge (The Designated Stock Exchange). The allocation may be made in marketable lots on proportionate basis as set forth hereunder:

- a) The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e., the total number of Shares applied for in that category multiplied by the inverse of the oversubscription ratio (number of Bidders in the category multiplied by number of Shares applied for).
- b) The number of Shares to be allocated to the successful Bidders will be arrived at on a proportionate basis in marketable lots (i.e., Total number of Shares applied for into the inverse of the over subscription ratio).
- c) For Bids where the proportionate allotment works out to less than [●] equity shares the allotment will be made as follows:
  - Each successful Bidder shall be allotted [●] equity shares; and
  - The successful Bidder out of the total bidders for that category shall be determined by draw of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (b) above.
- d) If the proportionate allotment to a Bidder works out to a number that is not a multiple of [●] equity shares, the Bidder would be allotted Shares by rounding off to the nearest multiple of [●] equity shares subject to a minimum allotment of [●] equity shares.
- e) If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the Bidders in that category, the balance available Shares or allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful Bidder in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising Bidder applying for the minimum number of Shares. If as a result of the process of rounding off to the nearest multiple of [●] Equity Shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the Offer specified under the Capital Structure mentioned in this Draft Red Herring Prospectus.

Retail Individual Investor' means an investor who applies for shares of value of not more than ₹2,00,000.00 Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with NSE.

The Executive Director / Managing Director of National Stock Exchange of India Limited - the Designated Stock Exchange in addition to Book Running Lead Manager and Registrar to the Public Offer shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations.

#### **ISSUANCE OF ALLOTMENT ADVICE**

1. Upon approval of the Basis of Allotment by the Designated Stock Exchange.
2. On the basis of approved Basis of Allotment, the Offer shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Bidders are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the offer.

The Book Running Lead Manager or the Registrar to the Offer will dispatch an Allotment Advice to their Bidders who have been allocated Equity Shares in the Offer. The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Allotment to such Bidder.

3. Issuer will make the allotment of the Equity Shares and initiate corporate action for credit of shares to the successful Bidders Depository Account within 2 working days of the Offer Closing date. The Issuer also ensures the credit of shares to the successful Bidders Depository Account is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public Issue Account to Public Issue account of the issuer.

#### **DESIGNATED DATE**

On the Designated date, the SCSBs shall transfers the funds represented by allocations of the Equity Shares into Public Issue Account with the Bankers to the Issue.

The Company will issue and dispatch letters of allotment / or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of 2 working days of the Bid / Offer Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under relevant provisions of the Companies Act, 2013 or other applicable provisions, if any

#### **INSTRUCTIONS FOR COMPLETING THE BID CUM APPLICATION FORM**

The Applications should be submitted on the prescribed Bid Cum Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Bid Cum Application Form. Applications not so made are liable to be rejected. Applications made using a third-party bank account or using third party UPI ID linked bank account are liable to be rejected. Bid Cum Application Forms should bear the stamp of the Designated Intermediaries. ASBA Bid Cum Application Forms, which do not bear the stamp of the Designated Intermediaries, will be rejected.

SEBI vide Circular No. CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit Bid Cum Application Forms in public issues using the stock broker (broker) network of Stock Exchanges, who may not be syndicate members in an issue with effect from January 01, 2013. The list of Broker Centre is available on the websites of BSE i.e., [www.bseindia.com](http://www.bseindia.com) and National Stock Exchange of India Limited i.e., [www.nseindia.com](http://www.nseindia.com). With a view to broad base the reach of Investors by substantial, enhancing the points for submission of applications, SEBI vide Circular No. CIR/CFD/POLICY CELL/11/2015 dated November 10, 2015 has permitted Registrar to the Offer and Share Transfer Agent and Depository Participants registered with SEBI to accept the Bid Cum Application Forms in Public Issue with effect from January 01, 2016. The List of ETA and DPs centres for collecting the application shall be disclosed is available on the website of National Stock Exchange of India Limited i.e., [www.nseindia.com](http://www.nseindia.com)

#### **BIDDER'S DEPOSITORY ACCOUNT AND BANK DETAILS**

Please note that, providing bank account details, PAN No's, Client ID and DP ID in the space provided in the Bid Cum Application Form is mandatory and applications that do not contain such details are liable to be rejected.

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Bid Cum Application Form as entered into the Stock Exchange online system, the Registrar to the Offer will obtain from the Depository the demographic details including address, Bidders bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Demographic Details would be used for all correspondence with the Bidders including mailing of the Allotment Advice. The Demographic Details given by Bidders in the Bid Cum Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Bid Cum Application Form, the Bidder would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

#### **SUBMISSION OF BID CUM APPLICATION FORM:**

All Bid Cum Application Forms duly completed shall be submitted to the Designated Intermediaries. The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form, in physical or electronic mode, respectively.

#### **COMMUNICATIONS**

All future communications in connection with Applications made in this Offer should be addressed to the Registrar to the Offer quoting the full name of the sole or First Bidder, Bid Cum Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of Bid Cum Application Form, name and address of the Designated Intermediary where the Application was submitted thereof and a copy of the acknowledgement slip.

Investors can contact the Compliance Officer or the Registrar to the Offer in case of any pre-Offer or post Offer related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.

#### **DISPOSAL OF APPLICATION AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY**

The Company shall ensure the dispatch of Allotment advice and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within 2 (two) working days of date of Allotment of Equity Shares.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at NSE EMERGE where the Equity Shares are proposed to be listed are taken within 3 (Three) working days from Offer Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

1. Allotment and Listing of Equity Shares shall be made within 3 (Three) working days of the Offer Closing Date;
2. Giving of Instructions for refund by unblocking of amount via ASBA not later than 2(Two) working days of the Offer Closing Date, would be ensured; and
3. If such money is not repaid within prescribed time from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of prescribed time, be liable to repay such application money, with interest as prescribed under SEBI (ICDR) Regulations, the Companies Act, 2013 and applicable law. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and / or imprisonment in such a case.

### **RIGHT TO REJECT APPLICATIONS**

In case of QIB Bidders, the Company, Selling Shareholder in consultation with the Book Running Lead Manager may reject Applications provided that the reasons for rejecting the same shall be provided to such Bidder in writing. In case of Non-Institutional Bidders, Retail Individual Bidders who applied, the Company has a right to reject Applications based on technical grounds.

### **IMPERSONATION**

Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

**“Any person who—**

- (a) Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- (b) Makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- (c) Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”

### **UNDERTAKINGS BY OUR COMPANY**

We undertake as follows:

1. That the complaints received in respect of the Offer shall be attended expeditiously and satisfactorily;
2. That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading on Stock Exchange where the Equity Shares are proposed to be listed within six working days from Offer Closure date.
3. That if the Company do not proceed with the Offer, the reason thereof shall be given as a public notice to be issued by our Company within two days of the Offer Closing Date. The public notice shall be issued in the same newspapers where the pre-Issue advertisements were published. The stock exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;
4. That the funds required for making refunds as per the modes disclosed or dispatch of allotment advice by registered post or speed post shall be made available to the Registrar and Share Transfer Agent to the Offer by our Company;
5. Where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 3 (three) Working Days from the Offer Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

6. That our Promoters' contribution in full has already been brought in;
7. That no further Issue of Equity Shares shall be made till the Equity Shares Issued through the Prospectus are listed or until the Application monies are refunded on account of non-listing, undersubscription etc.;
8. That adequate arrangement shall be made to collect all Applications Supported by Blocked Amount while finalizing the Basis of Allotment;
9. If our Company does not proceed with the Offer after the Bid / Offer Opening Date but before allotment, then the reason thereof shall be given as a public notice to be issued by our Company within two days of the Bid / Offer Closing Date. The public notice shall be issued in the same newspapers where the Pre-Issue advertisements were published. The stock exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;
10. If our Company withdraws the Offer after the Bid / Offer Closing Date, our Company shall be required to file a fresh Draft Red Herring Prospectus with the Stock exchange / Registrar of Companies / SEBI, in the event our Company subsequently decides to proceed with the Offer;
11. If allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded / unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI Regulations and applicable law for the delayed period.

#### **UNDERTAKINGS BY THE SELLING SHAREHOLDER**

Each Selling Shareholder severally and not jointly, in respect of itself as a Selling Shareholder and its portion of the Equity Shares offered by it in the Offer, undertakes the following in respect of itself and its respective portion of the Offered Shares:

1. its Offered Shares are eligible for being offered in the Offer for Sale in terms of Regulation 8 of the SEBI ICDR Regulations;
2. it shall provide reasonable cooperation to our Company in relation to the Offered Shares, (a) for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges, and/ or (b) refund orders (if applicable);
3. that it shall provide such reasonable assistance to our Company and the BRLMs in redressal of such investor grievances that pertain to the respective portion of the Offered Shares;
4. it shall deposit its portion of Offered Shares in an escrow demat account in accordance with the Share Escrow Agreement;
5. it is the legal and beneficial owner of the Offered Shares that such Offered Shares shall be transferred in the Offer, free from liens, charges and encumbrances; and
6. it shall not have recourse to the proceeds of the Offer, which shall be held in escrow in its favour, until the final approval for listing and trading of the Equity Shares from the Stock Exchanges where listing is sought has been received.

#### **UTILIZATION OF OFFER PROCEEDS**

The Board of Directors of our Company and the Selling Shareholder certifies that:

1. All monies received out of the Offer shall be credited / transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 40 of the Companies Act 2013;
2. Details of all monies utilized out of the Offer referred above shall be disclosed and continue to be disclosed till the time any part of the Offer proceeds remains unutilized, under an appropriate head in our balance sheet of our company indicating the purpose for which such monies have been utilized.
3. Details of all unutilized monies out of the Offer, if any shall be disclosed under the appropriate separate head in the balance sheet of our company indicating the form in which such unutilized monies have been invested and

4. Our Company, Selling Shareholder shall comply with the requirements of SEBI Listing Regulations, 2015 in relation to the disclosure and monitoring of the utilization of the proceeds of the Offer.
5. Our Company, Selling Shareholder shall not have recourse to the Offer Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.
6. The Book Running Lead Manager undertakes that the complaints or comments received in respect of the Offer shall be attended by our Company expeditiously and satisfactorily.

**EQUITY SHARES IN DEMATERIALIZED FORM WITH NATIONAL SECURITIES DEPOSITORY LIMITED OR CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED:**

To enable all shareholders of our Company to have their shareholding in electronic form, the Company has signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- a) Tripartite Agreement dated June 25, 2024 between National Securities Depository Limited, our Company and Registrar to the Issue; and
- b) Tripartite Agreement July 15, 2024 between Central Depository Services (India) Limited, our Company and Registrar to the Issue.
- c) The Company's equity shares bear an International Securities Identification Number INE0YDV01010

## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and Foreign Exchange Management Act, 1999 (“FEMA”). While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the Reserve Bank of India (“RBI”) and Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“DIPP”).

The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated Foreign Direct Investment Policy notified by the DPIIT File No. 5(2) / 2020-FDI Policy dated October 15, 2020, with effect from October 15, 2020 (the “FDI Policy”), which consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT or the DPIIT that were in force and effect prior to October 15, 2020. The Government of India proposes to update the consolidated circular on FDI Policy once every year and therefore, the FDI Policy will be valid until the DPIIT issues an updated circular.

The RBI also issues Master Circular on Foreign Investment in India every year. Presently, FDI in India is being governed by Master Circular on Foreign Investment dated July 01, 2015, as updated from time to time by RBI and Master Direction– Foreign Investment in India (updated up to March 08, 2019). In terms of the Master Circular, an Indian company may issue fresh shares to people resident outside India (who is eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh issue of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master Circular and Master Direction. The Indian company making such fresh issue of shares would be subject to the reporting requirements, inter-alia with respect to consideration for issue of shares and also subject to making certain filings including filing of Form FC-GPR.

In case of investment in sectors through Government Route, approval from competent authority as mentioned in Section 4 of the FDI Policy 2020 has to be obtained. The transfer of shares between an Indian resident to a non-resident does not require the prior approval of the RBI, subject to fulfilment of certain conditions as specified by DIPP / RBI, from time to time.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer and in accordance with the extant FDI guidelines on sectoral caps, pricing guidelines etc. as amended by Reserve bank of India, from time to time. Investors are advised to confirm their eligibility under the relevant laws before investing and / or subsequent purchase or sale transaction in the Equity Shares of our Company. Investors will not offer, sell, pledge, or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines. Our Company, the Underwriters and their respective directors, officers, agents, affiliates, and representatives, as applicable, accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

In terms of the FEMA NDI Rules, a person resident outside India may make investments into India, subject to certain terms and conditions, and provided that an entity of a country, which shares land border with India or the beneficial owner of an investment into India who is situated in or is a citizen of any such country, shall invest only with government approval.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that

- (i) the activities of the investee company are under the automatic route under the foreign direct investment policy and transfer does not attract the provisions of the Takeover Regulations;
- (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and
- (iii) the pricing is in accordance with the guidelines prescribed by the SEBI / RBI.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country (“Restricted Investors”), will require prior approval of the Government, as prescribed in the Consolidated FDI Policy and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an

entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction / purview, such subsequent change in the beneficial ownership will also require approval of the Government. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made a similar amendment to the FEMA Rules. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank or fund in India. Each Bidder should seek independent legal advice about its ability to participate in the Offer. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar to the Offer in writing about such approval along with a copy thereof within the Offer Period.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer and in accordance with the extant FDI guidelines on sectoral caps, pricing guidelines etc. as amended by Reserve bank of India, from time to time. Investors are advised to confirm their eligibility under the relevant laws before investing and / or subsequent purchase or sale transaction in the Equity Shares of our Company. Investors will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives, as applicable, accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

### **INVESTMENT CONDITIONS / RESTRICTIONS FOR OVERSEAS ENTITIES**

Under the current FDI Policy 2020, the maximum amount of Investment (sectoral cap) by foreign investor in an issuing entity is composite unless it is explicitly provided otherwise including all types of foreign investments, direct and indirect, regardless of whether it has been made for FDI, FPI, NRI / OCI, LLPs, FVCI, Investment Vehicles and DRs under Foreign Exchange Management. (Non-debt Instruments) Rules, 2019. Any equity holding by a person resident outside India resulting from conversion of any debt instrument under any arrangement shall be reckoned as foreign investment under the composite cap.

Portfolio Investment upto aggregate foreign investment level of 49% or sectoral / statutory cap, whichever is lower, will not be subject to either Government approval or compliance of sectoral conditions, if such investment does not result in transfer of ownership and / or control of Indian entities from resident Indian citizens to non-resident entities. Other foreign investments will be subject to conditions of Government approval and compliance of sectoral conditions as per FDI Policy. The total foreign investment, direct and indirect, in the issuing entity will not exceed the sectoral / statutory cap.

### **INVESTMENT BY FPIS UNDER PORTFOLIO INVESTMENT SCHEME (PIS)**

With regards to purchase / sale of capital instruments of an Indian company by an FPI under PIS the total holding by each FPI or an investor group as referred in SEBI (FPI) Regulations, 2014 shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or less than 10% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all FPIs put together shall not exceed 24% of paid-up equity capital on fully diluted basis or paid-up value of each series of debentures or preference shares or share warrants. The said limit of 10% and 24% will be called the individual and aggregate limit, respectively. However, this limit of 24% may be increased up to sectoral cap / statutory ceiling, as applicable, by the Indian company concerned by passing a resolution by its Board of Directors followed by passing of a special resolution to that effect by its general body.

### **INVESTMENT BY NRI OR OCI ON REPATRIATION BASIS**

The purchase / sale of equity shares, debentures, preference shares and share warrants issued by an Indian company (hereinafter referred to as “Capital Instruments”) of a listed Indian company on a recognised stock exchange in India by Non-Resident Indian (NRI) or Overseas Citizen of India (OCI) on repatriation basis is allowed subject to certain conditions under Foreign Exchange Management (Non-debt Instruments) Rules, 2019.

The total holding by any individual NRI or OCI shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants; provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

### **INVESTMENT BY NRI OR OCI ON NON-REPATRIATION BASIS**

As per current FDI Policy 2020, Foreign Exchange Management (Non-debt Instruments) Rules, 2019, Purchase / sale of Capital Instruments or convertible notes or units or contribution to the capital of an LLP by a NRI or OCI on non-



repatriation basis – will be deemed to be domestic investment at par with the investment made by residents. This is further subject to remittance channel restrictions.

**The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (“US Securities Act”) or any other state securities laws in the United States of America and may not be sold or offered within the United States of America, or to, or for the account or benefit of “US Persons” as defined in Regulation S of the U.S. Securities Act, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of US Securities Act and applicable state securities laws.**

**Accordingly, the equity shares are being offered and sold only outside the United States of America in an offshore transaction in reliance upon Regulation S under the US Securities Act and the applicable laws of the jurisdiction where those offers, and sale occur.**

**Further, no offer to the public (as defined under Directive 2003/71/EC, together with any amendments) and implementing measures thereto, (the “Prospectus Directive”) has been or will be made in respect of the Offer in any member State of the European Economic Area which has implemented the Prospectus Directive except for any such offer made under exemptions available under the Prospectus Directive, provided that no such offer shall result in a requirement to publish or supplement a prospectus pursuant to the Prospectus Directive, in respect of the Offer.**

**Any forwarding, distribution or reproduction of this document in whole or in part may be unauthorised. Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of other jurisdictions. Any investment decision should be made on the basis of the final terms and conditions and the information contained in this Draft Red Herring Prospectus.**

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Application may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

**The above information is given for the benefit of the Applicants. Our Company and the Book Running Lead Managers are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them and do not exceed the applicable limits under the laws and regulations.**

**SECTION XII: MAIN PROVISIONS OF ARTICLES OF ASSOCIATION**

**THE COMPANIES ACT 2013  
(Incorporated under Companies Act, 2013)  
COMPANY LIMITED BY SHARES  
ARTICLES OF ASSOCIATION  
OF**

**ARC Insulation & Insulators Limited**

**(Formerly Known as ARC Insulation & Insulators Private Limited)**

Pursuant to Schedule I of the Companies Act, 2013 and the SEBI ICDR Regulations, the Main provisions of the Articles of Association relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and Transmission of equity shares or debentures, their consolidation or splitting are as provided below. Each provision below is numbered as per the corresponding article number in the articles of association and defined terms herein have the meaning given to them in the Articles of Association.

<b>1.</b>	No regulation contained in Table “F” in the First Schedule to Companies Act, 2013 shall apply to this Company but the regulations for the Management of the Company and for the observance of the Members thereof and their representatives shall be as set out in the relevant provisions of the Companies Act, 2013 and subject to any exercise of the statutory powers of the Company with reference to the repeal or alteration of or addition to its regulations by Special Resolution as prescribed by the said Companies Act, 2013 be such as are contained in these Articles unless the same are repugnant or contrary to the provisions of the Companies Act, 2013 or any amendment thereto.	<b>Table F Applicable</b>
	<b>Interpretation Clause</b>	
<b>2.</b>	In the interpretation of these Articles the following expressions shall have the following meanings unless repugnant to the subject or context:	
	(a) "The Act" means the Companies Act, 2013 and includes any statutory modification or re-enactment thereof for the time being in force.	<b>Act</b>
	(b) "These Articles" means Articles of Association for the time being in force or as may be altered from time to time vide Special Resolution.	<b>Articles</b>
	(c) "Auditors" means and includes those persons appointed as such for the time being of the Company.	<b>Auditors</b>
	(d) "Capital" means the share capital for the time being raised or authorized to be raised for the purpose of the Company.	<b>Capital</b>
	(e) "The Company" shall mean ' <b>ARC INSULATION &amp; INSULATORS LIMITED</b> '	
	(f) "Executor" or "Administrator" means a person who has obtained a probate or letter of administration, as the case may be from a Court of competent jurisdiction and shall include a holder of a Succession Certificate authorizing the holder thereof to negotiate or transfer the Share or Shares of the deceased Member and shall also include the holder of a Certificate granted by the Administrator General under section 31 of the Administrator General Act, 1963.	<b>Executor or Administrator</b>
	(g) "Legal Representative" means a person who in law represents the estate of a deceased Member.	<b>Legal Representative</b>
	(h) Words importing the masculine gender also include the feminine gender.	<b>Gender</b>
	(i) "In Writing" and "Written" includes printing lithography and other modes of representing or reproducing words in a visible form.	<b>In Writing and Written</b>
	(j) The marginal notes hereto shall not affect the construction thereof.	<b>Marginal notes</b>
	(k) "Meeting" or "General Meeting" means a meeting of members.	<b>Meeting or General Meeting</b>
	(l) "Month" means a calendar month.	<b>Month</b>
	(m) "Annual General Meeting" means a General Meeting of the Members held in accordance with the provision of section 96 of the Act.	<b>Annual General Meeting</b>
	(n) "Extra-Ordinary General Meeting" means an Extraordinary General Meeting of the Members duly called and constituted and any adjourned holding thereof.	<b>Extra- Ordinary General Meeting</b>
	(o) "National Holiday" means and includes a day declared as National Holiday by the Central Government.	<b>National Holiday</b>

	(p) "Non-retiring Directors" means a director not subject to retirement by rotation.	<b>Non-retiring Directors</b>
	(q) "Office" means the registered Office for the time being of the Company.	<b>Office</b>
	(r) "Ordinary Resolution" and "Special Resolution" shall have the meanings assigned thereto by Section 114 of the Act.	<b>Ordinary and Special Resolution</b>
	(s) "Person" shall be deemed to include corporations and firms as well as individuals.	<b>Person</b>
	(t) "Proxy" means an instrument whereby any person is authorized to vote for a member at General Meeting or Poll and includes attorney duly constituted under the power of attorney.	<b>Proxy</b>
	(u) "The Register of Members" means the Register of Members to be kept pursuant to Section 88(1) (a) of the Act.	<b>Register of Members</b>
	(v) "Seal" means the common seal for the time being of the Company.	<b>Seal</b>
	(w) Words importing the Singular number include where the context admits or requires the plural number and vice versa.	<b>Singular number</b>
	(x) "The Statutes" means the Companies Act, 2013 and every other Act for the time being in force affecting the Company.	<b>Statutes</b>
	(y) "These presents" means the Memorandum of Association and the Articles of Association as originally framed or as altered from time to time.	<b>These presents</b>
	(z) "Variation" shall include abrogation; and "vary" shall include abrogate.	<b>Variation</b>
	(aa) "Year" means the "Financial Year" shall have the meaning assigned thereto by Section 2(41) of the Act.	<b>Year and Financial Year</b>
	Save as aforesaid any words and expressions contained in these Articles shall bear the same meanings as in the Act or any statutory modifications thereof for the time being in force.	<b>Expressions in the Act to bear the same meaning in Articles</b>
	<b>CAPITAL</b>	
<b>3.</b>	The Authorized Share Capital of the Company shall be such amount as may be mentioned in Clause V of Memorandum of Association of the Company from time to time.	<b>Authorize dCapital.</b>
<b>4.</b>	The Company may in General Meeting from time to time by Ordinary Resolution increase its capital by creation of new Shares which may be unclassified and may be classified at the time of issue in one or more classes and of such amount or amounts as may be deemed expedient. The new Shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe and in particular, such Shares maybe issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a right of voting at General Meeting of the Company in conformity withSection 47 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article the Directors shall comply with the provisions of Section 64 of the Act.	<b>Increase of capital by the Company how carried into effect</b>
<b>5.</b>	Except so far as otherwise provided by the conditions of issue or by these Presents, any capital raised by the creation of new Shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.	<b>New Capital same as existing capital</b>
<b>6.</b>	The Board shall have the power to issue a part of authorized capital by way of non-voting Shares at price(s) premia, dividends, eligibility, volume, quantum, proportion and other terms and conditions as they deem fit, subject however to provisions of law, rules, regulations, notifications and enforceable guidelines for the time being in force.	<b>Non-Voting Shares</b>
<b>7.</b>	Subject to the provisions of the Act and these Articles, the Board of Directors may issue redeemable preference shares to such persons, on such terms and conditions and at such times as Directors think fit either at premium or at par, and with full power to give any person the option to call for or be allotted shares of the company either at premium or at par, such option being exercisable at such times and for such consideration as the Board thinks fit.	<b>Redeemable Preference Shares</b>
<b>8.</b>	The holder of Preference Shares shall have a right to vote only on Resolutions, which directly affect the rights attached to his Preference Shares.	<b>Voting rights of preference shares</b>

9.	<p>On the Offer of redeemable preference shares under the provisions of Article 7 hereof , the following provisions-shall take effect:</p> <p>(a) No such Shares shall be redeemed except out of profits of which would otherwise be available for dividend or out of proceeds of a fresh issue of shares made for the purposeof the redemption;</p> <p>(b) No such Shares shall be redeemed unless they are fully paid;</p> <p>(c) Subject to section 55(2)(d)(i) the premium, if any payable on redemption shall have been provided for out of the profits of the Company or out of the Company's security premium account, before the Shares are redeemed;</p> <p>(d) Where any such Shares are redeemed otherwise then out of the proceeds of a fresh issue, there shall out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called "the Capital Redemption Reserve Account", a sum equal to the nominal amount of the Shares redeemed, and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in Section 55of the Act apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company; and</p> <p>(e) Subject to the provisions of Section 55 of the Act, the redemption of preference shares hereunder may be effected in accordance with the terms and conditions of their issue and in the absence of any specific terms and conditions in that behalf, in such manner as the Directors may think fit. The reduction of Preference Shares under the provisions by the Company shall not be taken as reducing the amount of its Authorized Share Capital</p>	<p><b>Provisions to apply on issue of Redeemable Preference Shares</b></p>
10.	<p>The Company may (subject to the provisions of sections 52, 55, 66, both inclusive, and otherapplicable provisions, if any, of the Act) from time to time by Special Resolution reduce</p> <p>(a) the share capital;</p> <p>(b) any capital redemption reserve account; or</p> <p>(c) any security premium account</p> <p>In any manner for the time being, authorized by law and in particular capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power the Company would have, if it were omitted.</p>	<p><b>Reduction of capital</b></p>
11.	<p>Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directorsand otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.</p>	<p><b>Debentures</b></p>
12.	<p>The Company may exercise the powers of issuing sweat equity shares conferred by Section54 of the Act of a class of shares already issued subject to such conditions as may be specified in that sections and rules framed thereunder.</p>	<p><b>Issue of Sweat Equity Shares</b></p>
13.	<p>The Company may issue shares to Employees including its Directors other than independent directors and such other persons as the rules may allow, under Employee Stock Option Scheme (ESOP) or any other scheme, if authorized by a Special Resolution of the Company in general meeting subject to the provisions of the Act, the Rules and applicable guidelines made there under, by whatever name called.</p>	<p><b>ESOP</b></p>
14.	<p>Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.</p>	<p><b>Buy Back of shares</b></p>
15.	<p>Subject to the provisions of Section 61of the Act, the Company in general meeting may, from time to time, sub-divide or consolidate all or any of the share capital into shares of larger amount than its existing share or sub-divide its shares, or any of them into shares of smaller amount than is fixed by the Memorandum; subject nevertheless, to the provisions of clause (d) of sub-section (1) of Section 61; Subject as aforesaid the Company in general meeting may also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.</p>	<p><b>Consolidation, Sub-Division And Cancellation</b></p>
16.	<p>Subject to compliance with applicable provision of the Act and rules framed thereunder the company shall have power to issue depository receipts in any foreign country.</p>	<p><b>Issue of Depository Receipts</b></p>
17.	<p>Subject to compliance with applicable provision of the Act and rules framed thereunder the company shall have power to issue any kind of securities as permitted to be issued under theAct and rules framed thereunder.</p>	<p><b>Issue of Securities</b></p>

<b>MODIFICATION OF CLASS RIGHTS</b>		
<b>18.</b>	(a) If at any time the share capital, by reason of the Offer of Preference Shares or otherwise is divided into different classes of shares, all or any of the rights privileges attached to any class (unless otherwise provided by the terms of issue of the shares of the class) may, subject to the provisions of Section 48 of the Act and whether or not the Company is being wound-up, be varied, modified or dealt, with the consent in writing of the holders of not less than three- fourths of the issued shares of that class or with the sanction of a Special Resolution passed at a separate general meeting of the holders of the shares of that class. The provisions of these Articles relating to general meetings shall mutatis mutandis apply to every such separate classof meeting. Provided that if variation by one class of shareholders affects the rights of any other class of shareholders, the consent of three-fourths of such other class of shareholders shall also be obtained and the provisions of this section shall apply to such variation.	<b>Modification of rights</b>
	(b) The rights conferred upon the holders of the Shares including Preference Share, if any) of any class issued with preferred or other rights or privileges shall, unless otherwise expressly provided by the terms of the Offer of shares of that class, be deemed not to be modified, commuted, affected, abrogated, dealt with or varied by the creation or issue of further shares ranking pari-passu therewith.	<b>New Issue of Shares not to affect rights attached to existing shares of that class.</b>
<b>19.</b>	Subject to the provisions of Section 62 of the Act and these Articles, the shares in the capital of the company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit and with the sanction of the company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the company on payment in full or part of any property sold and transferred or for any services rendered to the company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares.	<b>Shares at the disposal of the Directors.</b>
<b>20.</b>	The Company may issue shares or other securities in any manner whatsoever including by way of a preferential offer, to any persons whether or not those persons include the persons referred to in clause (a) or clause (b) of sub-section (1) of section 62 subject to compliance with section 42 and 62 of the Act and rules framed thereunder.	<b>Power to issue shares on preferential basis.</b>
<b>21.</b>	The shares in the capital shall be numbered progressively according to their several denominations, and except in the manner herein before mentioned no share shall be subdivided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.	<b>Shares should be Numbered progressively and no share to be subdivided.</b>
<b>22.</b>	An application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the Register shall for the purposes of these Articles, be a Member.	<b>Acceptance of Shares.</b>
<b>23.</b>	Subject to the provisions of the Act and these Articles, the Directors may allot and issue shares in the Capital of the Company as payment or part payment for any property (including goodwill of any business) sold or transferred, goods or machinery supplied or for services rendered to the Company either in or about the formation or promotion of the Company or the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than in cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares as aforesaid.	<b>Directors may allot shares as full paid-up</b>
<b>24.</b>	The money (if any) which the Board shall on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them shall become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him, accordingly.	<b>Deposit and call etc. to be a debt payable immediately.</b>
<b>25.</b>	Every Member, or his heirs, executors, administrators, or legal representatives, shall pay to the Company the portion of the Capital represented by his share or shares which may, for the time being, remain unpaid thereon, in such amounts at such time or times, and in such manner as the Board shall, from time to time in accordance with the Company's regulations, require on date fixed for the payment thereof.	<b>Liability of Members.</b>
<b>26.</b>	Shares may be registered in the name of any limited company or other corporate body but not in the name of a firm, an insolvent person or a person of unsound mind.	<b>Registration of Shares.</b>

<b>RETURN ON ALLOTMENTS TO BE MADE OR RESTRICTIONS ON ALLOTMENT</b>		
<b>27.</b>	The Board shall observe the restrictions as regards allotment of shares to the public, and as regards return on allotments contained in Sections 39 of the Act	
<b>CERTIFICATES</b>		
<b>28.</b>	<p>(a) Every member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as provided in the relevant laws) to several certificates, each for one or more of such shares and the company shall complete and have ready for delivery such certificates within two months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application for registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the seal of the company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe or approve, provided that in respect of a share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one of several joint holders shall be sufficient delivery to all such holder. Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupons of requisite value, save in cases of issues against letter of acceptance or of renunciation or in cases of issue of bonus shares. Every such certificate shall be issued under the seal of the Company, which shall be affixed in the presence of two Directors or persons acting on behalf of the Directors under a duly registered power of attorney and the Secretary or some other person appointed by the Board for the purpose and two Directors or their attorneys and the Secretary or other person shall sign the share certificate, provided that if the composition of the Board permits of it, at least one of the aforesaid two Directors shall be a person other than a Managing or whole-time Director. Particulars of every share certificate issued shall be entered in the Register of Members against the name of the person, to whom it has been issued, indicating the date of issue.</p> <p>(b) Any two or more joint allottees of shares shall, for the purpose of this Article, be treated as a single member, and the certificate of any shares which may be the subject of joint ownership, may be delivered to anyone of such joint owners on behalf of all of them. For any further certificate the Board shall be entitled, but shall not be bound, to prescribe a charge not exceeding Rupees Fifty. The Company shall comply with the provisions of Section 39 of the Act.</p> <p>(c) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.</p> <p>(d) When a new Share certificate has been issued in pursuance of the preceding clause of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is —"Issued in lieu of Share Certificate No..... sub-divided/replaced/on consolidation of Shares".</p>	<b>Share Certificates.</b>
<b>29.</b>	<p>If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new Certificate may be issued in lieu thereof, and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, being given, a new Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every Certificate under the Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.50/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.</p> <p>Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956, or any other Act, or rules applicable in this behalf.</p>	<b>Issue of new certificates in place of those defaced, lost or destroyed.</b>

	The provisions of this Article shall mutatis mutandis apply to debentures of the Company.	
30.	(a) If any share stands in the names of two or more persons, the person first named in the Register shall as regard receipts of dividends or bonus or service of notices and all or any other matter connected with the Company except voting at meetings, and the transfer of the shares, be deemed sole holder thereof but the joint-holders of a share shall be severally as well as jointly liable for the payment of all calls and other payments due in respect of such share and for all incidentals thereof according to the Company's regulations.	<b>The first named joint holder deemed Sole holder.</b>
	(b) The Company shall not be bound to register more than three persons as the joint holders of any share.	<b>Maximum number of joint holders.</b>
31.	Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognize any equitable, contingent, future or partial interest in any share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as the holder thereof but the Board shall be at liberty at its sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.	<b>Company not bound to recognize any interest in share other than that of registered holders.</b>
32.	If by the conditions of allotment of any share the whole or part of the amount or issue price thereof shall be payable by installment, every such installment shall when due be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the share or his legal representative.	<b>Installment on shares to be duly paid.</b>
	<b>UNDERWRITING AND BROKERAGE</b>	
33.	Subject to the provisions of Section 40 (6) of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing, to subscribe (whether absolutely or conditionally) for any shares or debentures in the Company, or procuring, or agreeing to procure subscriptions (whether absolutely or conditionally) for any shares or debentures in the Company but so that the commission shall not exceed the maximum rates laid down by the Act and the rules made in that regard. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid shares or partly in one way and partly in the other.	<b>Commission</b>
34.	The Company may pay on any issue of shares and debentures such brokerage as may be reasonable and lawful.	<b>Brokerage</b>
	<b>CALLS</b>	
35.	(1) The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board and not by a circular resolution, make such calls as it thinks fit, upon the Members in respect of all the moneys unpaid on the shares held by them respectively and each Member shall pay the amount of every call so made on him to the persons and at the time and places appointed by the Board. (2) A call may be revoked or postponed at the discretion of the Board. (3) A call may be made payable by installments.	<b>Directors may make calls</b>
36.	Fifteen days' notice in writing of any call shall be given by the Company specifying the time and place of payment, and the person or persons to whom such call shall be paid.	<b>Notice of Calls</b>
37.	A call shall be deemed to have been made at the time when the resolution of the Board of Directors authorising such call was passed and may be made payable by the members whose names appear on the Register of Members on such date or at the discretion of the Directors on such subsequent date as may be fixed by Directors.	<b>Calls to date from resolution.</b>
38.	Whenever any calls for further share capital are made on shares, such calls shall be made on uniform basis on all shares falling under the same class. For the purposes of this Article shares of the same nominal value of which different amounts have been paid up shall not be deemed to fall under the same class.	<b>Calls on uniform basis.</b>
39.	The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call and may extend such time as to all or any of the members who on account of the residence at a distance or other cause, which the Board may deem fairly entitled to such extension, but no member shall be entitled to such extension save as a matter of grace and favour.	<b>Directors may extend time.</b>
40.	If a sum called in respect of the shares is not paid before or on the day appointed for payment thereof the person from whom the sum is due shall pay interest upon the sum at such rate not exceeding 12% per annum or at such lower rate, if any, as the Board may determine, but the Board of Directors shall be at liberty to waive payment of that interest wholly or in part.	<b>Calls to carry interest.</b>

41.	If by the terms of issue of any share or otherwise any amount is made payable at any fixed time or by installments at fixed time (whether on account of the amount of the share or by way of premium) every such amount or installment shall be payable as if it were a call duly made by the Directors and of which due notice has been given and all the provisions herein contained in respect of calls shall apply to such amount or installment accordingly.	<b>Sums deemed to be calls.</b>
42.	On the trial or hearing of any action or suit brought by the Company against any Member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares, if shall be sufficient to prove that the name of the Member in respect of whose shares the money is sought to be recovered, appears entered on the Register of Members as the holder, at or subsequent to the date at which the money is sought to be recovered is alleged to have become due on the share in respect of which such money is sought to be recovered in the Minute Books: and that notice of such call was duly given to the Member or his representatives used in pursuance of these Articles: and that it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum of Directors was present at the Board at which any call was made was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.	<b>Proof on trial of suit for money due on shares.</b>
43.	Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction there under nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member of the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce forfeiture of such shares as hereinafter provided.	<b>Judgment, decree, partial payment motto proceed for forfeiture.</b>
44.	<p>(a) The Board may, if it thinks fit, receive from any Member willing to advance the same, all or any part of the amounts of his respective shares beyond the sums, actually called up and upon the moneys so paid in advance, or upon so much thereof, from time to time, and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances are made the Board may pay or allow interest, at such rate as the member paying the sum in advance and the Board agree upon. The Board may agree to repay at any time any amount so advanced or may at any time repay the same upon giving to the Member three months' notice in writing: provided that moneys paid in advance of calls on shares may carry interest but shall not confer a right to dividend or to participate in profits.</p> <p>(b) No Member paying any such sum in advance shall be entitled to voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable. The provisions of this Article shall mutatis mutandis apply to calls on debentures issued by the Company.</p>	<b>Payments in Anticipation of calls may carry interest</b>
<b>LIEN</b>		
45.	<p>The Company shall have a first and paramount lien upon all the shares/debentures (other than fully paid-up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed the registration of a transfer of shares/debentures shall operate as a waiver of the Company's lien if any, on such shares/debentures. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this clause.</p> <p>Provided that the fully paid shares shall be free from all lien, while in the case of partly paid shares, the company's lien, if any, shall be restricted to moneys called or payable at a fixed time in respect of such shares.</p>	<b>Company to have Lien on shares.</b>
46.	For the purpose of enforcing such lien the Directors may sell the shares subject thereto in such manner as they shall think fit, but no sale shall be made until such period as aforesaid shall have arrived and until notice in writing of the intention to sell shall have been served on such member or the person (if any) entitled by transmission to the shares and default shall have been made by him in payment, fulfilment of discharge of such debts, liabilities or engagements for seven days after such notice. To give effect to any such sale the Board may authorise some person to transfer the shares sold to the purchaser thereof and purchaser shall be registered as the holder of the shares comprised in any such	<b>As to enforcing lien by sale.</b>



	transfer. Upon any such sale as the Certificates in respect of the shares sold shall stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a new Certificate or Certificates in lieu thereof to the purchaser or purchasers concerned.	
47.	The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.	<b>Application of proceeds of sale.</b>
	<b>FORFEITURE AND SURRENDER OF SHARES</b>	
48.	If any Member fails to pay the whole or any part of any call or installment or any moneys due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same, the Directors may, at any time thereafter, during such time as the call or installment or any part thereof or other moneys as aforesaid remains unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on such Member or on the person (if any) entitled to the shares by transmission, requiring him to pay such call or installment of such part thereof or other moneys as remain unpaid together with any interest that may have accrued and all reasonable expenses (legal or otherwise) that may have been accrued by the Company by reason of such non-payment. Provided that no such shares shall be forfeited if any moneys shall remain unpaid in respect of any call or installment or any part thereof as aforesaid by reason of the delay occasioned in payment due to the necessity of complying with the provisions contained in the relevant exchange control laws or other applicable laws of India, for the time being in force.	<b>If call or installment not paid, notice may be given.</b>
49.	The notice shall name a day (not being less than fourteen days from the date of notice) and a place or places on and at which such call or instalment and such interest thereon as the Directors shall determine from the day on which such call or instalment ought to have been paid and expenses as aforesaid are to be paid. The notice shall also state that, in the event of the non-payment at or before the time and at the place or places appointed, the shares in respect of which the call was made or instalment is payable will be liable to be forfeited.	<b>Terms of notice.</b>
50.	If the requirements of any such notice as aforesaid shall not be complied with, every or any share in respect of which such notice has been given, may at any time thereafter but before payment of all calls or instalments, interest and expenses, due in respect thereof, be forfeited by resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited share and not actually paid before the forfeiture.	<b>On default of payment, shares to be forfeited.</b>
51.	When any shares have been forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof shall forthwith be made in the Register of Members.	<b>Notice of forfeiture to a Member</b>
52.	Any shares so forfeited, shall be deemed to be the property of the Company and may be sold, re-allotted, or otherwise disposed of, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board in their absolute discretion shall think fit.	<b>Forfeited shares to be property of the Company and maybe sold etc.</b>
53.	Any Member whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, on demand all calls, instalments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture, together with interest thereon from the time of the forfeiture until payment, at such rate as the Board may determine and the Board may enforce the payment of the whole or a portion thereof as if it were a new call made at the date of the forfeiture, but shall not be under any obligation to do so.	<b>Members still liable to pay money owing at time of forfeiture and interest.</b>
54.	The forfeiture shares shall involve extinction at the time of the forfeiture, of all interest in all claims and demand against the Company, in respect of the share and all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved.	<b>Effect of forfeiture.</b>
55.	A declaration in writing that the declarant is a Director or Secretary of the Company and that shares in the Company have been duly forfeited in accordance with these articles on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares.	<b>Evidence of Forfeiture.</b>

56.	The Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposition thereof and the person to whom such share is sold, re-allotted or disposed of may be registered as the holder of the share and he shall not be bound to see to the application of the consideration if any, nor shall his title to the share be affected by any irregularly or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the shares.	<b>Title of purchaser and allottee of Forfeited shares.</b>
57.	Upon any sale, re-allotment or other disposal under the provisions of the preceding Article, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a duplicate certificate or certificates in respect of the said shares to the person or persons entitled thereto.	<b>Cancellation of share certificate in respect of forfeited shares.</b>
58.	In the meantime and until any share so forfeited shall be sold, re-allotted, or otherwise dealt with as aforesaid, the forfeiture thereof may, at the discretion and by a resolution of the Directors, be remitted as a matter of grace and favour, and not as was owing thereon to the Company at the time of forfeiture being declared with interest for the same unto the time of the actual payment thereof if the Directors shall think fit to receive the same, or on any other terms which the Director may deem reasonable.	<b>Forfeiture may be remitted.</b>
59.	Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers herein before given, the Board may appoint some person to execute an instrument of transfer of the Shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the Shares sold, and the purchasers shall not be bound to see to the regularity of the proceedings or to the application of the purchase money, and after his name has been entered in the Register of Members in respect of such Shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.	<b>Validity of sale</b>
60.	The Directors may, subject to the provisions of the Act, accept a surrender of any share from or by any Member desirous of surrendering on such terms the Directors may think fit.	<b>Surrender of shares.</b>
<b>TRANSFER AND TRANSMISSION OF SHARES</b>		
61.	(a) The instrument of transfer of any share in or debenture of the Company shall be executed by or on behalf of both the transferor and transferee. (b) The transferor shall be deemed to remain a holder of the share or debenture until the name of the transferee is entered in the Register of Members or Register of Debenture holders in respect thereof.	<b>Execution of the instrument of shares.</b>
62.	The instrument of transfer of any share or debenture shall be in writing and all the provisions of Section 56 and statutory modification thereof including other applicable provisions of the Act shall be duly complied with in respect of all transfers of shares or debenture and registration thereof. Provided that the company shall use a common form of transfer.	<b>Transfer Form.</b>
63.	The Company shall not register a transfer in the Company other than the transfer between persons both of whose names are entered as holders of beneficial interest in the records of a depository, unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation if any, of the transferee, has been delivered to the Company along with the certificate relating to the shares or if no such share certificate is in existence along with the letter of allotment of the shares. Provided that where, on an application in writing made to the Company by the transferee and bearing the stamp, required for an instrument of transfer, it is proved to the satisfaction of the Board of Directors that the instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee has been lost, the Company may register the transfer on such terms as to indemnity as the Board may think fit, provided further that nothing in this Article shall prejudice any power of the Company to register as shareholder any person to whom the right to any shares in the Company has been transmitted by operation of law.	<b>Transfer not to be registered except on production of instrument of transfer.</b>
64.	Subject to the provisions of Section 58 of the Act and Section 22A of the Securities Contracts (Regulation) Act, 1956, the Directors may, decline to register— (a) any transfer of shares on which the company has a lien. That registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever;	<b>Directors may refuse to register transfer.</b>

65.	If the Company refuses to register the transfer of any share or transmission of any right therein, the Company shall within one month from the date on which the instrument of transfer or intimation of transmission was lodged with the Company, send notice of refusal to the transferee and transferor or to the person giving intimation of the transmission, as the case may be, and there upon the provisions of Section 56 of the Act or any statutory modification thereof for the time being in force shall apply.	<b>Notice of refusal to be given to transferor and transferee.</b>
66.	No fee shall be charged for registration of transfer, transmission, Probate, Succession Certificate and letter of administration, Certificate of Death or Marriage, Power of Attorney or similar other document with the Company.	<b>No fee on transfer.</b>
67.	The Board of Directors shall have power on giving not less than seven days previous notice in accordance with section 91 and rules made thereunder close the Register of Members and/or the Register of debentures holders and/or other security holders at such time or times and for such period or periods, not exceeding thirty days at a time, and not exceeding in the aggregate forty five days at a time, and not exceeding in the aggregate forty five days in each year as it may seem expedient to the Board.	<b>Closure of Register of Members or debenture holder or other security holders.</b>
68.	The instrument of transfer shall after registration be retained by the Company and shall remain in its custody. All instruments of transfer which the Directors may decline to register shall on demand be returned to the persons depositing the same. The Directors may cause to be destroyed all the transfer deeds with the Company after such period as they may determine.	<b>Custody of transfer Deeds.</b>
69.	Where an application of transfer relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.	<b>Application for transfer of partly-paid shares.</b>
70.	For this purpose the notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post/speed post/ courier to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.	<b>Notice to transferee.</b>
71.	<p>(a) On the death of a Member, the survivor or survivors, where the Member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only person recognized by the Company as having any title to his interest in the shares.</p> <p>(b) Before recognising any executor or administrator or legal representative, the Board may require him to obtain a Grant of Probate or Letters Administration or other legal representation as the case may be, from some competent court in India. Provided nevertheless that in any case where the Board in its absolute discretion thinks fit, it shall be lawful for the Board to dispense with the production of Probate or letter of Administration or such other legal representation upon such terms as to indemnity or otherwise, as the Board in its absolute discretion, may consider adequate</p> <p>(c) Nothing in clause (a) above shall release the estate of the deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.</p>	<b>Recognition of legal representative.</b>
72.	The Executors or Administrators of a deceased Member or holders of a Succession Certificate or the Legal Representatives in respect of the Shares of a deceased Member (not being one of two or more joint holders) shall be the only persons recognized by the Company as having any title to the Shares registered in the name of such Members, and the Company shall not be bound to recognize such Executors or Administrators or holders of Succession Certificate or the Legal Representative unless such Executors or Administrators or Legal Representative shall have first obtained Probate or Letters of Administration or Succession Certificate as the case may be from a duly constituted Court in the Union of India provided that in any case where the Board of Directors in its absolute discretion thinks fit, the Board upon such terms as to indemnity or otherwise as the Directors may deem proper dispense with production of Probate or Letters of Administration or Succession Certificate and register Shares standing in the name of a deceased Member, as a Member. However, provisions of this Article are subject to Sections 72 of the Companies Act.	<b>Titles of Shares of deceased Member</b>
73.	Where, in case of partly paid Shares, an application for registration is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 56 of the Act.	<b>Notice of application when to be given</b>

74.	Subject to the provisions of the Act and these Articles, any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy, insolvency of any member or by any lawful means other than by a transfer in accordance with these presents, may, with the consent of the Directors (which they shall not be under any obligation to give) upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of this title as the Director shall require either be registered as member in respect of such shares or elect to have some person nominated by him and approved by the Directors registered as Member in respect of such shares; provided nevertheless that if such person shall elect to have his nominee registered he shall testify his election by executing in favour of his nominee an instrument of transfer in accordance so he shall not be freed from any liability in respect of such shares. This clause is hereinafter referred to as the 'Transmission Clause'.	<b>Registration of persons entitled to share otherwise than by transfer. (transmission clause).</b>
75.	Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse or suspend register a person entitled by the transmission to any shares or his nominee as if he were the transferee named in an ordinary transfer presented for registration.	<b>Refusal to register nominee.</b>
76.	Every transmission of a share shall be verified in such manner as the Directors may require and the Company may refuse to register any such transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider sufficient, provided nevertheless that there shall not be any obligation on the Company or the Directors to accept any indemnity.	<b>Board may require evidence of transmission.</b>
77.	The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made, or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register or Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the same shares notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice or referred thereto in any book of the Company and the Company shall not be bound or require to regard or attend or give effect to any notice which may be given to them of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting so to do though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto, if the Directors shall so think fit.	<b>Company not liable for disregard of a notice prohibiting registration of transfer.</b>
78.	In the case of any share registered in any register maintained outside India the instrument of transfer shall be in a form recognized by the law of the place where the register is maintained but subject thereto shall be as near to the form prescribed in Form no. SH-4 hereof as circumstances permit.	<b>Form of transfer Outside India.</b>
79.	No transfer shall be made to any minor, insolvent or person of unsound mind.	<b>No transfer to insolvent etc.</b>
<b>NOMINATION</b>		
80.	<ul style="list-style-type: none"> <li>i) Notwithstanding anything contained in the articles, every holder of securities of the Company may, at any time, nominate a person in whom his/her securities shall vest in the event of his/her death and the provisions of Section 72 of the Companies Act, 2013 shall apply in respect of such nomination.</li> <li>ii) No person shall be recognized by the Company as a nominee unless an intimation of the appointment of the said person as nominee has been given to the Company during the lifetime of the holder(s) of the securities of the Company in the manner specified under Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014</li> <li>iii) The Company shall not be in any way responsible for transferring the securities consequent upon such nomination.</li> <li>iv) If the holder(s) of the securities survive(s) nominee, then the nomination made by the holder(s) shall be of no effect and shall automatically stand revoked.</li> </ul>	<b>Nomination</b>

81.	<p>A nominee, upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either-</p> <ul style="list-style-type: none"> <li>(i) to be registered himself as holder of the security, as the case may be; or</li> <li>(ii) to make such transfer of the security, as the case may be, as the deceased security holder, could have made;</li> <li>(iii) if the nominee elects to be registered as holder of the security, himself, as the case may be, he shall deliver or send to the Company, a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased security holder as the case may be;</li> <li>(iv) a nominee shall be entitled to the same dividends and other advantages to which he would be entitled to, if he were the registered holder of the security except that he shall not, before being registered as a member in respect of his security, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.</li> </ul> <p>Provided further that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share or debenture, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable or rights accruing in respect of the share or debenture, until the requirements of the notice have been complied with.</p>	<b>Transmission of Securities by nominee</b>
<b>DEMATERIALIZATION OF SHARES</b>		
82.	Subject to the provisions of the Act and Rules made thereunder the Company may offer its members facility to hold securities issued by it in dematerialized form.	<b>Dematerialization of Securities</b>
<b>JOINT HOLDER</b>		
83.	Where two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint Shareholders with benefits of survivorship subject to the following and other provisions contained in these Articles.	<b>Joint Holders</b>
84.	(a) The Joint holders of any share shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share.	<b>Joint and several liabilities for all payments in respect of shares.</b>
	(b) on the death of any such joint holders the survivor or survivors shall be the only person recognized by the Company as having any title to the share but the Board may require such evidence of death as it may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability of shares held by them jointly with any other person;	<b>Title of survivors.</b>
	(c) Any one of two or more joint holders of a share may give effectual receipts of any dividends or other moneys payable in respect of share; and	<b>Receipts of one sufficient.</b>
	(d) only the person whose name stands first in the Register of Members as one of the joint holders of any share shall be entitled to delivery of the certificate relating to such share or to receive documents from the Company and any such document served on or sent to such person shall be deemed to be service on all the holders.	<b>Delivery of certificate and giving of notices to first named holders.</b>
<b>SHARE WARRANTS</b>		
85.	The Company may issue warrants subject to and in accordance with provisions of the Act and accordingly the Board may in its discretion with respect to any Share which is fully paid upon application in writing signed by the persons registered as holder of the Share, and authenticated by such evidence (if any) as the Board may, from time to time, require as to the identity of the persons signing the application and on receiving the certificate (if any) of the Share, and the amount of the stamp duty on the warrant and such fee as the Board may, from time to time, require, issue a share warrant.	<b>Power to issue share warrants</b>
86.	<ul style="list-style-type: none"> <li>(a) The bearer of a share warrant may at any time deposit the warrant at the Office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for call in a meeting of the Company, and of attending and voting and exercising the other privileges of a Member at any meeting held after the expiry of two clear days from the time of deposit, as if his name were inserted in the Register of Members as the holder of the Share included in the deposit warrant.</li> <li>(b) Not more than one person shall be recognized as depositor of the Share warrant. The Company shall, on two day's written notice, return the deposited share warrant to the depositor.</li> </ul>	<b>Deposit of share warrants</b>

87.	(a) Subject as herein otherwise expressly provided, no person, being a bearer of a share warrant, shall sign a requisition for calling a meeting of the Company or attend or vote or exercise any other privileges of a Member at a meeting of the Company, or be entitled to receive any notice from the Company. (b) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the holder of the Share included in the warrant, and he shall be a Member of the Company.	<b>Privileges and disabilities of the holders of share warrant</b>
88.	The Board may, from time to time, make bye-laws as to terms on which (if it shall think fit), a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.	<b>Issue of new share warrant coupons</b>
<b>CONVERSION OF SHARES INTO STOCK</b>		
89.	The Company may, by ordinary resolution in General Meeting. a) convert any fully paid-up shares into stock; and b) re-convert any stock into fully paid-up shares of any denomination.	<b>Conversion of shares into stock or reconversion</b>
90.	The holders of stock may transfer the same or any part thereof in the same manner as and subject to the same regulation under which the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit, provided that, the Board may, from time to time, fix the minimum amount of stock transferable so however that such minimum shall not exceed the nominal amount of the shares from which the stock arose.	<b>Transfer of stock</b>
91.	The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, participation in profits, voting at meetings of the Company, and other matters, as if they hold the shares for which the stock arose but no such privilege or advantage shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.	<b>Rights of stock holders</b>
92.	Such of the regulations of the Company (other than those relating to share warrants), as are applicable to paid up share shall apply to stock and the words “share” and “shareholders” in those regulations shall include “stock” and “stockholders” respectively.	<b>Regulations</b>
<b>BORROWING POWERS</b>		
93.	Subject to the provisions of the Act and these Articles, the Board may, from time to time at its discretion, by a resolution passed at a meeting of the Board generally raise or borrow money by way of deposits, loans, overdrafts, cash credit or by issue of bonds, debentures or debenture-stock (perpetual or otherwise) or in any other manner, or from any person, firm, company, co-operative society, anybody corporate, bank, institution, whether incorporated in India or abroad, Government or any authority or any other body for the purpose of the Company and may secure the payment of any sums of money so received, raised or borrowed; provided that the total amount borrowed by the Company (apart from temporary loans obtained from the Company’s Bankers in the ordinary course of business) shall not without the consent of the Company in General Meeting exceed the aggregate of the paid up capital of the Company and its free reserves that is to say reserves not set apart for any specified purpose.	<b>Power to borrow</b>
94.	Subject to the provisions of the Act and these Articles, any bonds, debentures, debenture-stock or any other securities may be issued at a discount, premium or otherwise and with any special privileges and conditions as to redemption, surrender, allotment of shares, appointment of Directors or otherwise; provided that debentures with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in General Meeting.	<b>Issue of discount etc. or with special privileges</b>
95.	The payment and/or repayment of moneys borrowed or raised as aforesaid or any moneys owing otherwise or debts due from the Company may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit, and in particular by mortgage, charter, lien or any other security upon all or any of the assets or property (both present and future) or the undertaking of the Company including its uncalled capital for the time being, or by a guarantee by any Director, Government or third party, and the bonds, debentures and debenture stocks and other securities may be made assignable, free from equities between the Company and the person to whom the same may be issued and also by a similar mortgage, charge or lien to secure and guarantee, the performance by the Company or any other person or company of any obligation undertaken by the Company or any person or Company as the case may be.	<b>Securing payment or repayment of Moneys borrowed</b>
96.	Any bonds, debentures, debenture-stock or their securities issued or to be issued by the Company shall be under the control of the Board who may issue them upon such terms and conditions, and in such manner and for such consideration as they shall consider to be for the benefit of the Company.	<b>Bonds, Debentures etc. to be under the control of the</b>

		<b>Director</b>
<b>97.</b>	If any uncalled capital of the Company is included in or charged by any mortgage or other security the Directors shall subject to the provisions of the Act and these Articles make calls on the members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security is executed.	<b>Mortgage of uncalled Capital</b>
<b>98.</b>	Subject to the provisions of the Act and these Articles if the Directors or any of them or any other person shall incur or be about to incur any liability whether as principal or surety for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or person so becoming liable as aforesaid from any loss in respect of such liability.	<b>Indemnity may be given</b>
<b>MEETINGS OF MEMBERS</b>		
<b>99.</b>	All the General Meetings of the Company other than Annual General Meetings shall be called Extra-ordinary General Meetings.	<b>Distinction between AGM &amp; EGM</b>
<b>100.</b>	(a) The Directors may, whenever they think fit, convene an Extra-Ordinary General Meeting and they shall on requisition of Members made in compliance with Section 100 of the Act, forthwith proceed to convene Extra-Ordinary General Meeting of the members	<b>Extra-Ordinary General Meeting by Board and by requisition</b>
	(b) If at any time there are not within India sufficient Directors capable of acting to form a quorum, or if the number of Directors be reduced in number to less than the minimum number of Directors prescribed by these Articles and the continuing Directors fail or neglect to increase the number of Directors to that number or to convene a General Meeting, any Director or any two or more Members of the Company holding not less than one-tenth of the total paid up share capital of the Company may call for an Extra- Ordinary General Meeting in the same manner as nearly as possible as that in which meeting may be called by the Directors.	<b>When a Director or any two Members may call an Extra Ordinary General Meeting</b>
<b>101.</b>	No General Meeting, Annual or Extraordinary shall be competent to enter upon, discuss or transfer any business which has not been mentioned in the notice or notices upon which it was convened.	<b>Meeting not to transact business not mentioned in notice</b>
<b>102.</b>	The Chairman (if any) of the Board of Directors shall be entitled to take the chair at every General Meeting, whether Annual or Extraordinary. If there is no such Chairman of the Board of Directors, or if at any meeting he is not present within fifteen minutes of the time appointed for holding such meeting or if he is unable or unwilling to take the chair, then the Members present shall elect another Director as Chairman, and if no Director be present or if all the Directors present decline to take the chair then the Members present shall elect one of the members to be the Chairman of the meeting.	<b>Chairman of General Meeting</b>
<b>103.</b>	No business, except the election of a Chairman, shall be discussed at any General Meeting whilst the Chair is vacant.	<b>Business confined to election of Chairman whilst chair is vacant</b>
<b>104.</b>	a) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place. b) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. c) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. d) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.	<b>Chairman with his consent may adjourn meeting</b>
<b>105.</b>	In the case of an equality of votes the Chairman shall both on a show of hands, on a poll (if any) and e-voting, have casting vote in addition to the vote or votes to which he may be entitled as a Member.	<b>Chairman's casting vote</b>

106.	Any poll duly demanded on the election of Chairman of the meeting or any question of adjournment shall be taken at the meeting forthwith.	<b>In what case poll Taken without adjournment</b>
107.	The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.	<b>Demand for poll not to prevent transaction of other business</b>
<b>VOTES OF MEMBERS</b>		
108.	No Member shall be entitled to vote either personally or by proxy at any General Meeting or Meeting of a class of shareholders either upon a show of hands, upon a poll or electronically, or be reckoned in a quorum in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised, any right or lien.	<b>Members in arrears not to vote</b>
109.	Subject to the provision of these Articles and without prejudice to any special privileges, or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the capital of the company, every Member, not disqualified by the last preceding Article shall be entitled to be present, and to speak and to vote at such meeting, and on a show of hands every member present in person shall have one vote and upon a poll the voting right of every Member present in person or by proxy shall be in proportion to his share of the paid-up equity share capital of the Company, Provided, however, if any preference shareholder is present at any meeting of the Company, save as provided in sub-section (2) of Section 47 of the Act, he shall have a right to vote only on resolution placed before the meeting which directly affect the rights attached to his preference shares.	<b>Number of votes each member entitled</b>
110.	On a poll taken at a meeting of the Company a member entitled to more than one vote or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.	<b>Casting of votes by a member entitled to more than one vote</b>
111.	A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, or a minor may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.	<b>Vote of member of unsound mind and of minor</b>
112.	Notwithstanding anything contained in the provisions of the Companies Act, 2013, and the Rules made there under, the Company may, and in the case of resolutions relating to such business as may be prescribed by such authorities from time to time, declare to be conducted only by postal ballot, shall, get any such business/ resolutions passed by means of postal ballot, instead of transacting the business in the General Meeting of the Company.	<b>Postal Ballot</b>
113.	A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.	<b>E-Voting</b>
114.	<p>a) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. If more than one of the said persons remain present than the senior shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the joint holders shall be entitled to be present at the meeting. Several executors or administrators of a deceased Member in whose name share stands shall for the purpose of these Articles be deemed joints holders thereof.</p> <p>b) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.</p>	<b>Votes of joint members</b>
115.	Votes may be given either personally or by attorney or by proxy or in case of a company, by a representative duly Authorised as mentioned in Articles.	<b>Votes may be given by proxy or by representative</b>
116.	A body corporate (whether a company within the meaning of the Act or not) may, if it is member or creditor of the Company (including being a holder of debentures) authorise such person by resolution of its Board of Directors, as it thinks fit, in accordance with the provisions of Section 113 of the Act to act as its representative at any Meeting of the members or creditors of the Company or debentures holders of the Company. A person authorised by resolution as aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate as if it were an individual member, creditor or holder of debentures of the Company.	<b>Representation of a body corporate</b>



117.	(a) A member paying the whole or a part of the amount remaining unpaid on any share held by him although no part of that amount has been called up, shall not be entitled to any voting rights in respect of the moneys paid until the same would, but for this payment, become presently payable.	
	(b) A member is not prohibited from exercising his voting rights on the ground that he has not held his shares or interest in the Company for any specified period preceding the date on which the vote was taken.	<b>Members not prohibited if share not held for any specified period</b>
118.	Any person entitled under Article 73 (transmission clause) to transfer any share may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that at least forty-eight hours before the time of holding the meeting or adjourned meeting, as the case may be at which he proposes to vote he shall satisfy the Directors of his right to transfer such shares and give such indemnity (if any) as the Directors may require or the directors shall have previously admitted his right to vote at such meeting in respect thereof.	<b>Votes in respect of shares of deceased or insolvent members</b>
119.	No Member shall be entitled to vote on a show of hands unless such member is present personally or by attorney or is a body Corporate present by a representative duly Authorised under the provisions of the Act in which case such members, attorney or representative may vote on a show of hands as if he were a Member of the Company. In the case of a Body Corporate the production at the meeting of a copy of such resolution duly signed by a Director or Secretary of such Body Corporate and certified by him as being a true copy of the resolution shall be accepted by the Company as sufficient evidence of the authority of the appointment.	<b>No votes by proxy on show of hands</b>
120.	The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.	<b>Appointment of a Proxy</b>
121.	An instrument appointing a proxy shall be in the form as prescribed in the rules made under Section 105.	<b>Form of proxy</b>
122.	A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the Member, or revocation of the proxy or of any power of attorney which such proxy signed, or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death or insanity, revocation or transfer shall have been received at the office before the meeting or adjourned meeting at which the proxy is used.	<b>Validity of votes given by proxy notwithstanding death of a member</b>
123.	No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.	<b>Time for objections to votes</b>
124.	Any such objection raised to the qualification of any voter in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.	<b>Chairperson of the Meeting to be the judge of validity of any vote</b>
<b>DIRECTORS</b>		
125.	(a) Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 149 of the Act, the number of Directors (including Debenture and Alternate Directors) shall not be less than three and not more than fifteen. Provided that a company may appoint more than fifteen directors after passing a special resolution –  (b) <b>First directors of the company are:</b> <b>1. MANISH BAJORIA</b> <b>2. NEELAM BAJORIA</b>	<b>Number of Directors</b>
126.	A Director of the Company shall not be bound to hold any Qualification Shares in the Company.	<b>Qualification Shares</b>
127.	(a) Subject to the provisions of the Companies Act, 2013 and notwithstanding anything to the contrary contained in these Articles, the Board may appoint any person as a director nominated by any institution in pursuance of the provisions of any law for the time being in force or of any agreement	<b>Nominee Directors</b>

	<p>(b) The Nominee Director/s so appointed shall not be required to hold any qualification shares in the Company nor shall be liable to retire by rotation. The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s so appointed. The said Nominee Director/s shall be entitled to the same rights and privileges including receiving of notices, copies of the minutes, sitting fees, etc. as any other Director of the Company is entitled.</p> <p>(c) If the Nominee Director/s is an officer of any of the financial institution the sitting fees in relation to such nominee Directors shall accrue to such financial institution and the same accordingly be paid by the Company to them. The Financial Institution shall be entitled to depute observer to attend the meetings of the Board or any other Committee constituted by the Board.</p> <p>(d) The Nominee Director/s shall, notwithstanding anything to the contrary contained in these Articles, be at liberty to disclose any information obtained by him/them to the Financial Institution appointing him/them as such Director/s.</p>	
<b>128.</b>	The Board may appoint an Alternate Director to act for a Director (hereinafter called “The Original Director”) during his absence for a period of not less than three months from India. An Alternate Director appointed under this Article shall not hold office for period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to India. If the term of Office of the Original Director is determined before he so returns to India, any provision in the Act or in these Articles for the automatic re-appointment of retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director.	<b>Appointment of alternate Director</b>
<b>129.</b>	Subject to the provisions of the Act, the Board shall have power at any time and from time to time to appoint any other person to be an Additional Director. Any such Additional Director shall hold office only upto the date of the next Annual General Meeting.	<b>Additional Director</b>
<b>130.</b>	Subject to the provisions of the Act, the Board shall have power at any time and from time to time to appoint a Director, if the office of any director appointed by the company in general meeting is vacated before his term of office expires in the normal course, who shall hold office only upto the date upto which the Director in whose place he is appointed would have held office if it had not been vacated by him.	<b>Directors power to fill casual vacancies</b>
<b>131.</b>	Until otherwise determined by the Company in General Meeting, each Director other than the Managing/Whole-time Director (unless otherwise specifically provided for) shall be entitled to sitting fees not exceeding a sum prescribed in the Act (as may be amended from time to time) for attending meetings of the Board or Committees thereof.	<b>Sitting Fees</b>
<b>132.</b>	The Board of Directors may subject to the limitations provided in the Act allow and pay to any Director who attends a meeting at a place other than his usual place of residence for the purpose of attending a meeting, such sum as the Board may consider fair, compensation for travelling, hotel and other incidental expenses properly incurred by him, in addition to his fee for attending such meeting as above specified.	<b>Travelling expenses Incurred by Director on Company's business</b>
<b>PROCEEDING OF THE BOARD OF DIRECTORS</b>		
<b>133.</b>	<p>(a) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings as it thinks fit.</p> <p>(b) A director may, and the manager or secretary on the requisition of a director shall, at anytime, summon a meeting of the Board.</p>	<b>Meetings of Directors</b>
<b>134.</b>	<p>a) The Directors may from time to time elect from among their members a Chairperson of the Board and determine the period for which he is to hold office. If at any meeting of the Board, the Chairman is not present within Fifteen minutes after the time appointed for holding the same, the Directors present may choose one of the Directors then present to preside at the meeting.</p> <p>b) Subject to Section 203 of the Act and rules made there under, one person can act as the Chairman as well as the Managing Director or Chief Executive Officer at the same time.</p>	<b>Chairperson</b>
<b>135.</b>	Questions arising at any meeting of the Board of Directors shall be decided by a majority of votes and in the case of an equality of votes, the Chairman will have a second or casting vote.	<b>Questions at Board meeting how decide</b>
<b>136.</b>	The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.	<b>Continuing directors may act notwithstanding any vacancy in the Board</b>

137.	Subject to the provisions of the Act, the Board may delegate any of their powers to a Committee consisting of such member or members of its body as it thinks fit, and it may from time to time revoke and discharge any such committee either wholly or in part and either as to person, or purposes, but every Committee so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee in conformity with such regulations and in fulfilment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.	<b>Directors may appoint committee</b>
138.	The Meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding Article.	<b>Committee Meeting show to be governed</b>
139.	a) A committee may elect a Chairperson of its meetings. b) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.	<b>Chairperson of Committee Meetings</b>
140.	a) A committee may meet and adjourn as it thinks fit. b) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.	<b>Meetings of the Committee</b>
141.	Subject to the provisions of the Act, all acts done by any meeting of the Board or by a Committee of the Board, or by any person acting as a Director shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Director or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed, and was qualified to be a Director.	<b>Acts of Board or Committee shall be valid notwithstanding defect in appointment</b>
<b>RETIREMENT AND ROTATION OF DIRECTORS</b>		
142.	Subject to the provisions of Section 161 of the Act, if the office of any Director appointed by the Company in General Meeting vacated before his term of office will expire in the normal course, the resulting casual vacancy may in default of and subject to any regulation in the Articles of the Company be filled by the Board of Directors at the meeting of the Board and the Director so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if had not been vacated as aforesaid.	<b>Power to fill casual vacancy</b>
<b>POWERS OF THE BOARD</b>		
143.	The business of the Company shall be managed by the Board who may exercise all such powers of the Company and do all such acts and things as may be necessary, unless otherwise restricted by the Act, or by any other law or by the Memorandum or by the Articles required to be exercised by the Company in General Meeting. However no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.	<b>Powers of the Board</b>
144.	Without prejudice to the general powers conferred by the Articles and so as not in any way to limit or restrict these powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in the Articles, it is hereby, declared that the Directors shall have the following powers, that is to say	<b>Certain powers of the Board</b>
	(1) Subject to the provisions of the Act, to purchase or otherwise acquire any lands, buildings, machinery, premises, property, effects, assets, rights, creditors, royalties, business and goodwill of any person firm or company carrying on the business which this Company is authorised to carry on, in any part of India.	<b>To acquire any property, rights etc.</b>
	(2) Subject to the provisions of the Act to purchase, take on lease for any term or terms of years, or otherwise acquire any land or lands, with or without buildings and out-houses thereon, situate in any part of India, at such conditions as the Directors may think fit, and in any such purchase, lease or acquisition to accept such title as the Directors may believe, or may be advised to be reasonably satisfy.	<b>To take on Lease</b>
	(3) To erect and construct, on the said land or lands, buildings, houses, warehouses and sheds and to alter, extend and improve the same, to let or lease the property of the company, in part or in whole for such rent and subject to such conditions, as may be thought advisable; to sell such portions of the land or buildings of the Company as may not be required for the company; to mortgage the whole or any portion of the	<b>To erect &amp; construct</b>

	property of the company for the purposes of the Company; to sell all or any portion of the machinery or stores belonging to the Company.	
(4)	At their discretion and subject to the provisions of the Act, the Directors may pay property rights or privileges acquired by, or services rendered to the Company, either wholly or partially in cash or in shares, bonds, debentures or other securities of the Company, and any such share may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.	<b>To pay for property</b>
(5)	To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as they may think proper all or any part of the buildings, machinery, goods, stores, produce and other moveable property of the Company either separately or co-jointly; also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power.	<b>To insure properties of the Company</b>
(6)	To open accounts with any Bank or Bankers and to pay money into and draw money from any such account from time to time as the Directors may think fit.	<b>To open Bank accounts</b>
(7)	To secure the fulfilment of any contracts or engagement entered into by the Company by mortgage or charge on all or any of the property of the Company including its whole or part of its undertaking as a going concern and its uncalled capital for the time being or in such manner as they think fit.	<b>To secure contracts by way of mortgage</b>
(8)	To accept from any member, so far as may be permissible by law, a surrender of the shares or any part thereof, on such terms and conditions as shall be agreed upon.	<b>To accept surrender of shares</b>
(9)	To appoint any person to accept and hold in trust, for the Company property belonging to the Company, or in which it is interested or for any other purposes and to execute and to do all such deeds and things as may be required in relation to any such trust, and to provide for the remuneration of such trustee or trustees.	<b>To appoint trustees for the Company</b>
(10)	To institute, conduct, defend, compound or abandon any legal proceeding by or against the Company or its Officer, or otherwise concerning the affairs and also to compound and allow time for payment or satisfaction of any debts, due, and of any claims or demands by or against the Company and to refer any difference to arbitration, either according to Indian or Foreign law and either in India or abroad and observe and perform or challenge any award thereon.	<b>To conduct legal proceedings</b>
(11)	To act on behalf of the Company in all matters relating to bankruptcy insolvency.	<b>Bankruptcy &amp; Insolvency</b>
(12)	To make and give receipts, release and give discharge for moneys payable to the Company and for the claims and demands of the Company.	<b>To issue receipts &amp; give discharge</b>
(13)	Subject to the provisions of the Act, and these Articles to invest and deal with any moneys of the Company not immediately required for the purpose thereof, upon such authority (not being the shares of this Company) or without security and in such manner as they may think fit and from time to time to vary or realise such investments. Save as provided in Section 187 of the Act, all investments shall be made and held in the Company's own name.	<b>To invest and deal with money of the Company</b>
(14)	To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or as surety, for the benefit of the Company, such mortgage of the Company's property (present or future) as they think fit, and any such mortgage may contain a power of sale and other powers, provisions, covenants and agreements as shall be agreed upon;	<b>To give Security by way of indemnity</b>
(15)	To determine from time to time persons who shall be entitled to sign on Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purpose, whether by way of a resolution of the Board or by way of a power of attorney or otherwise.	<b>To determine signing powers</b>
(16)	To give to any Director, Officer, or other persons employed by the Company, a commission on the profits of any particular business or transaction, or a share in the general profits of the company; and such commission or share of profits shall be treated as part of the working expenses of the Company.	<b>Commission or share in profits</b>

	(17) To give, award or allow any bonus, pension, gratuity or compensation to any employee of the Company, or his widow, children, dependents, that may appear just or proper, whether such employee, his widow, children or dependents have or have not a legal claim on the Company.	<b>Bonus etc. to employees</b>
	(18) To set aside out of the profits of the Company such sums as they may think proper for depreciation or the depreciation funds or to insurance fund or to an export fund, or to a Reserve Fund, or Sinking Fund or any special fund to meet contingencies or repay debentures or debenture-stock or for equalizing dividends or for repairing, improving, extending and maintaining any of the properties of the Company and for such other purposes (including the purpose referred to in the preceding clause) as the Board may, in the absolute discretion think conducive to the interests of the Company, and subject to Section 179 of the Act, to invest the several sums so set aside or so much thereof as may be required to be invested, upon such investments (other than shares of this Company) as they may think fit and from time to time deal with and vary such investments and dispose of and apply and extend all or any part thereof for the benefit of the Company notwithstanding the matters to which the Board apply or upon which the capital moneys of the Company might rightly be applied or expended and divide the reserve fund into such special funds as the Board may think fit; with full powers to transfer the whole or any portion of a reserve fund or division of a reserve fund to another fund and with the full power to employ the assets constituting all or any of the above funds, including the deprecation fund, in the business of the company or in the purchase or repayment of debentures or debenture-stocks and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with the power to the Board at their discretion to pay or allow to the credit of such funds, interest at such rate as the Board may think proper.	<b>Transfer to Reserve Funds</b>
	(19) To appoint, and at their discretion remove or suspend such general manager, managers, secretaries, assistants, supervisors, scientists, technicians, engineers, consultants, legal, medical or economic advisers, research workers, labourers, clerks, agents and servants, for permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties and to fix their salaries or emoluments or remuneration and to require security in such instances and for such amounts they may think fit and also from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit and the provisions contained in the next following clauses shall be without prejudice to the general powers conferred by this clause.	<b>To appoint and remove officers and other employees</b>
	(20) At any time and from time to time by power of attorney under the seal of the Company, to appoint any person or persons to be the Attorney or attorneys of the Company, for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these presents and excluding the power to make calls and excluding also except in their limits authorised by the Board the power to make loans and borrow moneys) and for such period and subject to such conditions as the Board may from time to time think fit, and such appointments may (if the Board think fit) be made in favour of the members or any of the members of any local Board established as aforesaid or in favour of any Company, or the shareholders, directors, nominees or manager of any Company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such powers of attorney may contain such powers for the protection or convenience for dealing with such Attorneys as the Board may think fit, and may contain powers enabling any such delegated Attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretion for the time being vested in them.	<b>To appoint Attorneys</b>
	(21) Subject to Sections 188 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient.	<b>To enter into contracts</b>
	(22) From time to time to make, vary and repeal rules for the regulations of the business of the Company its Officers and employees.	<b>To make rules</b>
	(23) To effect, make and enter into on behalf of the Company all transactions, agreements and other contracts within the scope of the business of the Company.	<b>To effect contracts etc.</b>

	(24) To apply for, promote and obtain any act, charter, privilege, concession, license, authorization, if any, Government, State or municipality, provisional order or license of any authority for enabling the Company to carry any of this objects into effect, or for extending and any of the powers of the Company or for effecting any modification of the Company's constitution, or for any other purpose, which may seem expedient and to oppose any proceedings or applications which may seem calculated, directly or indirectly to prejudice the Company's interests.	<b>To apply &amp; obtain concessions licenses etc.</b>
	(25) To pay and charge to the capital account of the Company any commission or interest lawfully payable there out under the provisions of Sections 40of the Act and of the provisions contained in these presents.	<b>To pay commissions or interest</b>
	(26) To redeem preference shares.	<b>To redeem preference shares</b>
	(27) To subscribe, incur expenditure or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or any other institutions or subjects which shall have any moral or other claim to support or aid by the Company, either by reason of locality or operation or of public and general utility or otherwise.	<b>To assist charitable or benevolent institutions</b>
	(28) To pay the cost, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company.	
	(29) To pay and charge to the capital account of the Company any commission or interest lawfully payable thereon under the provisions of Sections 40 of the Act.	
	(30) To provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons, by building or contributing to the building of houses, dwelling or chawls, or by grants of moneys, pension, gratuities, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing, to provide other associations, institutions, funds or trusts and by providing or subscribing or contributing towards place of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit and subject to the provision of Section 181 of the Act, to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or object which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of the public and general utility or otherwise.	
	(31) To purchase or otherwise acquire or obtain license for the use of and to sell, exchange or grant license for the use of any trade mark, patent, invention or technical know-how.	
	(32) To sell from time to time any Articles, materials, machinery, plants, stores and other Articles and thing belonging to the Company as the Board may think proper and to manufacture, prepare and sell waste and by-products.	
	(33) From time to time to extend the business and undertaking of the Company by adding, altering or enlarging all or any of the buildings, factories, workshops, premises, plant and machinery, for the time being the property of or in the possession of the Company, or by erecting new or additional buildings, and to expend such sum of money for the purpose aforesaid or any of them as they be thought necessary or expedient.	
	(34) To undertake on behalf of the Company any payment of rents and the performance of the covenants, conditions and agreements contained in or reserved by any lease that may be granted or assigned to or otherwise acquired by the Company and to purchase the reversion or reversions, and otherwise to acquire on free hold sample of all or any of the lands of the Company for the time being held under lease or for an estate less than freehold estate.	
	(35) To improve, manage, develop, exchange, lease, sell, resell and re-purchase, dispose off, deal or otherwise turn to account, any property (movable or immovable) or any rights or privileges belonging to or at the disposal of the Company or in which the Company is interested.	
	(36) To let, sell or otherwise dispose of subject to the provisions of Section 180 of the Act and of the other Articles any property of the Company, either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as it thinks fit and to accept payment in satisfaction for the same in cash or otherwise as it thinks fit.	
	(37) Generally subject to the provisions of the Act and these Articles, to delegate the powers/authorities and discretions vested in the Directors to any person(s), firm,	

	company or fluctuating body of persons as aforesaid.	
	(38) To comply with the requirements of any local law which in their opinion it shall in the interest of the Company be necessary or expedient to comply with.	
	<b>MANAGING AND WHOLE-TIME DIRECTORS</b>	
<b>145.</b>	<p>a) Subject to the provisions of the Act and of these Articles, the Directors may from time to time in Board Meetings appoint one or more of their body to be a Managing Director or Managing Directors or whole-time Director or whole-time Directors of the Company for such term not exceeding five years at a time as they may think fit to manage the affairs and business of the Company, and may from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places.</p> <p>b) The Managing Director or Managing Directors or whole-time Director or whole-time Directors so appointed shall be liable to retire by rotation. A Managing Director or Whole-time Director who is appointed as Director immediately on the retirement by rotation shall continue to hold his office as Managing Director or Whole-time Director and such re-appointment as such Director shall not be deemed to constitute a break in his appointment as Managing Director or Whole-time Director.</p>	<b>Powers to appoint Managing/ Whole-time Directors</b>
<b>146.</b>	The remuneration of a Managing Director or a Whole-time Director (subject to the provisions of the Act and of these Articles and of any contract between him and the Company) shall from time to time be fixed by the Directors, and may be, by way of fixed salary, or commission on profits of the Company, or by participation in any such profits, or by any, or all of these modes.	<b>Remuneration of Managing or Whole-time Director</b>
<b>147.</b>	<p>(1) Subject to control, direction and supervision of the Board of Directors, the day-to-day management of the company will be in the hands of the Managing Director or Whole-time Director appointed in accordance with regulations of these Articles of Association with powers to the Directors to distribute such day-to-day management functions among such Directors and in any manner as may be directed by the Board.</p> <p>(2) The Directors may from time to time entrust to and confer upon the Managing Director or Whole-time Director for the time being save as prohibited in the Act, such of the powers exercisable under these presents by the Directors as they may think fit, and may confer such objects and purposes, and upon such terms and conditions, and with such restrictions as they think expedient; and they may subject to the provisions of the Act and these Articles confer such powers, either collaterally with or to the exclusion of, and in substitution for, all or any of the powers of the Directors in that behalf, and may from time to time revoke, withdraw, alter or vary all or any such powers.</p> <p>(3) The Company's General Meeting may also from time to time appoint any Managing Director or Managing Directors or Whole-time Director or Whole-time Directors of the Company and may exercise all the powers referred to in these Articles.</p> <p>(4) The Managing Director shall be entitled to sub-delegate (with the sanction of the Directors where necessary) all or any of the powers, authorities and discretions for the time being vested in him in particular from time to time by the appointment of any attorney or attorneys for the management and transaction of the affairs of the Company in any specified locality in such manner as they may think fit.</p> <p>(5) Notwithstanding anything contained in these Articles, the Managing Director is expressly allowed generally to work for and contract with the Company and especially to do the work of Managing Director and also to do any work for the Company upon such terms and conditions and for such remuneration (subject to the provisions of the Act) as may from time to time be agreed between him and the Directors of the Company.</p>	<b>Powers and duties of Managing Director or Whole-time Director</b>
	<b>CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER</b>	

148.	<p>a) Subject to the provisions of the Act,—</p> <p>i. A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;</p> <p>ii. A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.</p> <p>b) A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.</p>	<p><b>Board to appoint Chief Executive Officer/Manager/ Company Secretary/ Chief Financial Officer</b></p>
<b>THE SEAL</b>		
149.	<p>(a) The Board shall provide a Common Seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal for the time being, and the Seal shall never be used except by the authority of the Board or a Committee of the Board previously given.</p> <p>(b) The Company shall also be at liberty to have an Official Seal in accordance with of the Act, for use in any territory, district or place outside India.</p>	<p><b>The seal, its custody and use</b></p>
150.	<p>The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorized by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.</p>	<p><b>Deeds how executed</b></p>
<b>DIVIDEND AND RESERVES</b>		
151.	<p>(1) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.</p> <p>(2) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.</p> <p>(3) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.</p>	<p><b>Division of profits</b></p>
152.	<p>The Company in General Meeting may declare dividends, to be paid to members according to their respective rights and interests in the profits and may fix the time for payment and the Company shall comply with the provisions of Section 127 of the Act, but no dividends shall exceed the amount recommended by the Board of Directors, but the Company may declare a smaller dividend in general meeting.</p>	<p><b>The company in General Meeting may declare Dividends</b></p>
153.	<p>a) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, think fit.</p> <p>b) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.</p>	<p><b>Transfer to reserves</b></p>
154.	<p>Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.</p>	<p><b>Interim Dividend</b></p>
155.	<p>The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists.</p>	<p><b>Debts may be deducted</b></p>



<b>156.</b>	No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this articles as paid on the share.	<b>Capital paid up in advance not to earn dividend</b>
<b>157.</b>	All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid but if any share is issued on terms providing that it shall rank for dividends as from a particular date such share shall rank for dividend accordingly.	<b>Dividends in proportion to amount paid-up</b>
<b>158.</b>	The Board of Directors may retain the dividend payable upon shares in respect of which any person under Articles has become entitled to be a member, or any person under that Article is entitled to transfer, until such person becomes a member, in respect of such shares or shall duly transfer the same.	<b>Retention of dividends until completion of transfer under Articles</b>
<b>159.</b>	No member shall be entitled to receive payment of any interest or dividend or bonus in respect of his share or shares, whilst any money may be due or owing from him to the Company in respect of such share or shares (or otherwise however, either alone or jointly with any other person or persons) and the Board of Directors may deduct from the interest or dividend payable to any member all such sums of money so due from him to the Company.	<b>No Member to receive dividend whilst indebted to the company and the Company's right of reimbursement thereof</b>
<b>160.</b>	A transfer of shares does not pass the right to any dividend declared thereon before the registration of the transfer.	<b>Effect of transfer of shares.</b>
<b>161.</b>	Any one of several persons who are registered as joint holders of any share may give effectual receipts for all dividends or bonus and payments on account of dividends in respect of such share.	<b>Dividend to joint holders</b>
<b>162.</b>	a) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct. b) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.	<b>Dividends how remitted</b>
<b>163.</b>	Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.	<b>Notice of dividend</b>
<b>164.</b>	No unclaimed dividend shall be forfeited before the claim becomes barred by law and no unpaid dividend shall bear interest as against the Company.	<b>No interest on Dividends</b>
<b>CAPITALIZATION</b>		
<b>165.</b>	(1) The Company in General Meeting may, upon the recommendation of the Board, resolve: (a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the Profit and Loss account, or otherwise available for distribution; and (b) that such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions. (2) The sums aforesaid shall not be paid in cash but shall be applied subject to the provisions contained in clause (3) either in or towards: (i) paying up any amounts for the time being unpaid on any shares held by such members respectively; (ii) paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportions aforesaid; or (iii) partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii). (3) A Securities Premium Account and Capital Redemption Reserve Account may, for the purposes of this regulation, only be applied in the paying up of unissued shares to be issued to members of the Company and fully paid bonus shares. (4) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.	<b>Capitalization</b>

<b>166.</b>	<p>(1) Whenever such a resolution as aforesaid shall have been passed, the Board shall —</p> <p>(a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby and all allotments and issues of fully paid shares, if any, and</p> <p>(b) generally to do all acts and things required to give effect thereto.</p> <p>(2) The Board shall have full power -</p> <p>(a) to make such provision, by the Offer of fractional certificates or by payment in cash or otherwise as it thinks fit, in case of shares becoming distributable in fractions; and also</p> <p>(b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares to which they may be entitled upon such capitalization, or (as the case may require) for the payment by the Company on their behalf, by the application thereto of their respective proportions, of the profits resolved to be capitalized, of the amounts or any part of the amounts remaining unpaid on their existing shares.</p> <p>(3) Any agreement made under such authority shall be effective and binding on all such members.</p> <p>(4) That for the purpose of giving effect to any resolution, under the preceding paragraph of this Article, the Directors may give such directions as may be necessary and settle any questions or difficulties that may arise in regard to any issue including distribution of new equity shares and fractional certificates as they think fit.</p>	<b>Fractional Certificates</b>
<b>167.</b>	<p>(1) The books containing the minutes of the proceedings of any General Meetings of the Company shall be open to inspection of members without charge on such days and during such business hours as may consistently with the provisions of Section 119 of the Act be determined by the Company in General Meeting and the members will also be entitled to be furnished with copies thereof on payment of regulated charges.</p> <p>(2) Any member of the Company shall be entitled to be furnished within seven days after he has made a request in that behalf to the Company with a copy of any minutes referred to in sub-clause (1) hereof on payment of ₹ 10 per page or any part thereof.</p>	<b>Inspection of Minutes Books of General Meetings</b>
<b>168.</b>	<p>a) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.</p> <p>b) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.</p>	<b>Inspection of Accounts</b>
<b>FOREIGN REGISTER</b>		
<b>169.</b>	<p>The Company may exercise the powers conferred on it by the provisions of the Act with regard to the keeping of Foreign Register of its Members or Debenture holders, and the Board may, subject to the provisions of the Act, make and vary such regulations as it may think fit in regard to the keeping of any such Registers.</p>	<b>Foreign Register</b>
<b>DOCUMENTS AND SERVICE OF NOTICES</b>		
<b>170.</b>	<p>Any document or notice to be served or given by the Company be signed by a Director or such person duly authorised by the Board for such purpose and the signature may be written or printed or lithographed.</p>	<b>Signing of documents &amp; notices to be served or give</b>
<b>171.</b>	<p>Save as otherwise expressly provided in the Act, a document or proceeding requiring authentication by the company may be signed by a Director, the Manager, or Secretary or other Authorised Officer of the Company and need not be under the Common Seal of the Company.</p>	<b>Authentication of documents and proceedings</b>
<b>WINDING UP</b>		
<b>172.</b>	<p>Subject to the provisions of Chapter XX of the Act and rules made thereunder—</p> <p>(i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.</p> <p>(ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.</p> <p>(iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities</p>	

	whereon there is any liability.	
<b>INDEMNITY</b>		
<b>173.</b>	<p>Subject to provisions of the Act, every Director, or Officer or Servant of the Company or any person (whether an Officer of the Company or not) employed by the Company as Auditor, shall be indemnified by the Company against and it shall be the duty of the Directors to pay, out of the funds of the Company, all costs, charges, losses and damages which any such person may incur or become liable to, by reason of any contract entered into or act or thing done, concurred in or omitted to be done by him in any way in or about the execution or discharge of his duties or supposed duties (except such if any as he shall incur or sustain through or by his own wrongful act neglect or default) including expenses, and in particular and so as not to limit the generality of the foregoing provisions, against all liabilities incurred by him as such Director, Officer or Auditor or other officer of the Company in defending any proceedings whether civil or criminal in which judgment is given in his favor, or in which he is acquitted or in connection with any application under Section 463 of the Act on which relief is granted to him by the Court.</p>	<b>Directors' and others right to indemnity</b>
<b>174.</b>	<p>Subject to the provisions of the Act, no Director, Managing Director or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Directors or Officer, or for joining in any receipt or other act for conformity, or for any loss or expense happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person, company or corporation, with whom any moneys, securities or effects shall be entrusted or deposited, or for any loss occasioned by any error of judgment or oversight on his part, or for any other loss or damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own dishonesty.</p>	<b>Not responsible for acts of others</b>
<b>SECRECY</b>		
<b>175.</b>	<p>(a) Every Director, Manager, Auditor, Treasurer, Trustee, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the company shall, if so required by the Directors, before entering upon his duties, sign a declaration pleading himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matter which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by any meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provisions in these presents contained.</p>	<b>Secrecy</b>
	<p>(b) No member or other person (other than a Director) shall be entitled to enter the property of the Company or to inspect or examine the Company's premises or properties or the books of accounts of the Company without the permission of the Board of Directors of the Company for the time being or to require discovery of or any information in respect of any detail of the Company's trading or any matter which is or may be in the nature of trade secret, mystery of trade or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Board it will be inexpedient in the interest of the Company to disclose or to communicate.</p>	<b>Access to property information etc.</b>

## SECTION XIII: OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered more than two (2) years before the date of filing of this Draft Red Herring Prospectus) which are or may be deemed material have been entered or are to be entered by our Company. These contracts, copies of which will be attached to the copy of the Red Herring Prospectus will be delivered to the Registrar of Companies for filing and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company situated at Village- Ramdevpur, PO-Bawali Bishnupur 2, Parganas South, Bishnupur, West Bengal-743384 India from date of filing the Red Herring Prospectus with Registrar of Companies to Issue Closing Date on working days from 10:00 a.m. to 5:00 p.m. Further, copies of these contracts shall also be available for inspection on the website of the Company.

#### **A. Material Contracts**

1. Memorandum of Understanding dated January 07, 2025, between our Company, the Selling Shareholder and the Book Running Lead Manager.
2. Registrar to the Issue Agreement dated January 07, 2025, between our Company, the Selling Shareholder and the Registrar to the Issue.
3. Underwriting Agreement dated January 07, 2025, between our Company, Selling Shareholder and the Book Running Lead Manager and Underwriters.
4. Market Making Agreement dated January 07, 2025, between our Company, the Selling Shareholder and Book Running Lead Manager and Market Maker.
5. Share Escrow Agreement dated [●] between our Company, the Selling Shareholder, the Book Running Lead Managers and the Share Escrow Agent.
6. Banker to the Issue Agreement dated [●] between our Company, the Book Running Lead Manager, Banker to the Issue / Sponsor Bank and Registrar to the Issue.
7. Syndicate Agreement dated [●] between Our Company, the Selling Shareholder, the Book Running Lead Manager and Syndicate Members.
8. Tripartite agreement between the National Securities Depository Limited, our Company and the Registrar dated June 25, 2024.
9. Tripartite agreement between the Central Depository Services (India) Limited, our Company and the Registrar July 15, 2024.

#### **B. Material Documents**

1. Certified true copies of the Memorandum and Articles of Association of our Company, as amended from time to time.
2. Certificate of Incorporation dated September 10, 2008 issued by Deputy Registrar of Companies, West Bengal.
3. Fresh Certificate of Incorporation dated August 05, 2024 issued by Registrar of Companies, Central Processing Centre consequent upon conversion to Public Company dated August 05, 2024 from ARC Insulation and Insulators Private Limited to ARC Insulation and Insulators Limited pursuant to the conversion of our Company into a Public Limited Company issued.
4. Certificate of Registration of Special Resolution confirming Alteration of Object Clause(s) of the Company dated October 06, 2024 issued by Registrar of Companies, Central Processing Centre.
5. Resolution of the Board of Directors of our Company, passed at the Meeting of the Board of Directors held on September 21, 2024 in relation to the Offer.
6. Resolution of the Shareholders of our Company, passed at the Extra Ordinary General Meeting held with a shorter notice on September 23, 2024 relation to the Offer.

7. Valuation Report for the allotment dated September 30, 2024, which was carried out at a price below the established offer price.
8. Resolution of the Board of Directors of our Company dated January 20, 2025 approving the Draft Red Herring Prospectus for filing with the Stock Exchange.
9. Resolution of the Board of Directors of our Company dated [●] approving the Red Herring Prospectus for filing with the Stock Exchange.
10. Resolution of the Board of Directors of our Company dated [●] approving the Prospectus for filing with the Stock Exchange.
11. Annual Report of the Company for the Financial Year ending on March 31, 2024, March 31, 2023 and March 31, 2022.
12. The Statement of Possible Tax Benefits dated January 07, 2025 issued by the Statutory Auditor included in this Draft Red Herring Prospectus.
13. Peer review Auditor's report for Restated Financials dated January 07, 2025 included in this Draft Red Herring Prospectus.
14. Certificate on Key Performance Indicators issued by our Peer review Auditor dated January 07, 2025.
15. Consents of Our Directors, Promoters, Company Secretary & Compliance Officer, Chief Financial Officer, Statutory Auditor and Peer Review Auditor, Key Managerial Personnel, Book Running Lead Manager, Underwriters, Market Maker to the Issue, Registrar to the Issue, Legal Advisor to the Issue, and Banker(s) to the Company to include their names in the Draft Red Herring Prospectus to act in their respective capacities.
16. Due Diligence Certificate dated [●] addressed to SEBI from Book Running Lead Manager.
17. Approval from National Stock Exchange of India Limited vide letter dated [●] to use the name of National Stock Exchange of India Limited in this Offer Document for listing of Equity Shares on Emerge Platform of National Stock Exchange of India Limited.

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so, required in the interest of our Company or if required by the other parties, with the consent of shareholder's subject to compliance of the provisions contained in the Companies Act and other relevant provisions.

## DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the guidelines and regulations issued by the Government of India, or the guidelines and regulations issued by the Securities and Exchange Board of India, established under Regulation 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statements, disclosures and undertakings made in this Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus are contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956 as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

### SIGNED BY ALL THE DIRECTORS OF OUR COMPANY

NAME AND DESIGNATION	SIGNATURE
<b>MR. MANISH BAJORIA</b> <i>Managing Director</i> DIN: 02203237	<i>Sd/-</i>
<b>MS. NEELAM BAJORIA</b> <i>Executive Director</i> DIN: 02250051	<i>Sd/-</i>
<b>MR. ASHISH BAJORIA</b> <i>Non-Executive Director</i> DIN: 10662463	<i>Sd/-</i>
<b>MS. CHETNA GUPTA</b> <i>Independent Director</i> DIN: 02212440	<i>Sd/-</i>
<b>MS. SURUCHI JAIN VIRENDRA KUMAR JAIN</b> <i>Independent Director</i> DIN: 10205026	<i>Sd/-</i>

### SIGNED BY THE CHIEF FINANCIAL OFFICER AND COMPANY SECRETARY & COMPLIANCE OFFICER OF OUR COMPANY

*Sd/-*  
**MR. MANISH BAJORIA**  
*Chief Financial Officer*  
 PAN: ADOPB7586R

*Sd/-*  
**MS. SHRADDHA DHACHOLIA**  
*Company Secretary & Compliance Officer*  
 PAN: BLZPD6310D

**Place: Kolkata**  
**Date: January 20, 2025**

## **DECLARATION BY SELLING SHAREHOLDER**

I, Mr. Manish Bajoria in my capacity as a Selling Shareholder, hereby confirm and certify that all statements, disclosures and undertakings specifically made or confirmed in this Draft Red Herring Prospectus about or specifically in relation to myself as a Selling Shareholder and the portion of Equity Shares offered by me in the Offer for Sale are true and correct. I assume no responsibility for any other statements, disclosures and undertakings including any statements, disclosures and undertakings made by, or relating to the Company or any other person(s) in this Draft Red Herring Prospectus.

### **SIGNED BY THE SELLING SHAREHOLDER**

Sd/-

**Mr. Manish Bajoria**  
**Promoter Selling Shareholder**  
**Place: Kolkata**  
**Date: January 20, 2025**

**DISCLOSURE OF PRICE INFORMATION OF PAST ISSUES HANDLED BY GRETEX CORPORATE SERVICES LIMITED**

Sr. No.	Issuer Name	Issue Size (Cr)	Issue Price (In ₹)	Listing Date	Opening Price on Listing Date	+ / -% change in closing price, [+ / - % change in Closing benchmark] 30th calendar days from listing	+ / -% change in closing price, [+ / - % change in Closing benchmark] 90th calendar days from listing	+ / -% change in closing price, [+ / - % change in Closing benchmark] 180th calendar days from listing
<b>Main Board</b>								
1	Akme Fintrade (India) Limited	132.00	120.00	June 26, 2024	127.00	-11.82, [3.38]	-13.15, [7.93]	-28.58, [-0.17]
<b>SME Platform</b>								
1	Transtee Seating Technologies Limited	49.98	70.00	November 6, 2023	88.90	-0.64, [7.86]	-2.47, [12.58]	-28.94, [15.78]
2	Kalyani Cast-Tech Limited	30.11	139.00	November 17, 2023	264.10	44.32, [8.65]	78.90, [9.51]	75.28, [10.93]
3	Amic Forging Limited	34.80	126.00	December 6, 2023	239.40	105.59, [3.42]	190.37, [5.78]	244.16, [9.78]
4	Interiors & More Limited	42.00	227.00	February 23, 2024	270.00	-8.99, [-0.52]	-2.29, [1.73]	-6.53, [11.51]
5	Zenith Drugs Limited	40.68	79.00	February 27, 2024	110.00	-40.37, [-0.58]	-37.14, [3.31]	-7.80, [11.82]
6	Owais Metal and Mineral Processing Limited	42.69	87.00	March 04, 2024	250.00	100.76, [0.13]	361.20, [0.56]	408.55, [12.26]
7	Associated Coaters Limited	5.11	121.00	June 06, 2024	142.00	51.59, [6.56]	55.67, [9.69]	40.10, [7.69]
8	Rapid Multimodal Limited	8.49	84.00	August 30, 2024	103.00	-36.12, [3.89]	-44.63, [-4.03]	N.A.
9	Paramount Dye Tec Limited	28.43	117.00	October 08, 2024	109.90	-23.31, [-3.25]	-18.73, [216.73]	N.A.
10	Subam Papers Limited	93.70	152.00	October 08, 2024	142.00	-6.57, [-2.56]	-11.07, [-2.95]	N.A.

**Sources:** All share price data is from [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com).

**Note:**

- The BSE SENSEX and NSE NIFTY are considered as the Benchmark Index.
- Price on BSE & NSE are considered for all the above calculations.
- In case 30<sup>th</sup>, 90<sup>th</sup> and 180<sup>th</sup> day is not a trading day, the price / index of the immediately preceding working day has been considered.
- In case 30<sup>th</sup>, 90<sup>th</sup> and 180<sup>th</sup> day, scripts are not traded then the share price is taken of the immediately preceding trading day.

As per SEBI Circular No. CIR/CFD/DIL/7/2015 dated October 30, 2015, the above table should reflect maximum 10 issues (Initial Public Offers) managed by the Lead Manager. Hence, disclosure pertaining to recent 10 issues handled by the Lead Manager are provided.



**SUMMARY STATEMENT OF DISCLOSURE**

Financial Year	Total no. of IPOs	Total Funds Raised ('in Cr.)	No. of IPOs trading at Discount-30 <sup>th</sup> calendar day from listing day			No. of IPOs trading at Premium-30 <sup>th</sup> calendar day from listing day			No. of IPOs trading at Discount-180 <sup>th</sup> calendar day from listing day			No. of IPOs trading at Premium-180 <sup>th</sup> calendar day from listing day		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
<b>Main Board</b>														
2024-25	1 <sup>^</sup>	132.00	--	--	1	--	--	--	--	1	--	--	--	--
<b>SME Platform</b>														
2022-23	9	179.70	--	--	3	2	1	3	--	2	1	5	--	1
2023-24	10 <sup>^</sup>	300.86	--	1	3	2	2	2	--	1	3	6	--	--
2024-25	4 <sup>^</sup>	135.74	--	1	2	1	--	--	--	--	--	1	--	--

*Upto January 20, 2025*

*<sup>^</sup> The scrip of Rapid Multimodal Logistics Limited, Paramount Dye Tech Limited and Subam Papers Limited have not completed 180 Days from the date of listing.*